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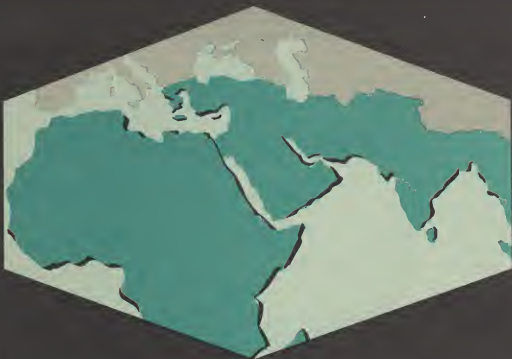
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1915

# U.S. POLICY



in the  
**Near East,  
South Asia,  
and Africa - 1954**



**Department of State**



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**U.S. POLICY**  
in the  
**Near East**  
**South Asia**  
**and Africa**  
  
**1954**

by

**HARRY N. HOWARD**

**Bureau of Near Eastern, South Asian  
and African Affairs**

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## U. S. Policy in the Near East, South Asia, and Africa—1954

It was not a matter of mere coincidence that the United States was honored during 1954 by visits from President Celal Bayar and Prime Minister Adnan Menderes of Turkey, Emperor Haile Selassie of Ethiopia, Prime Minister Ben Halim of Libya, President William V. S. Tubman of Liberia, Prime Minister Mohammed Ali of Pakistan, the Shah of Iran, and the Prime Minister of Ceylon, Sir John Kotelawala. For American interest in the countries of the Near East, South Asia, and Africa continued at a very high level following Secretary Dulles' historic visit to that area in 1953.

Both directly and within the framework of the United Nations, the United States continued to deal with the great issues of this troubled area. Many of the problems were very old and quite complex. Some involved other Western Powers even more directly than the United States. By the year's end some appeared in process of solution and others had been placed in a more balanced perspective insofar as American foreign policy was concerned.<sup>1</sup> Some had reached the stage of active consideration—in their current setting, at least—for the first time. Basically, the United States continued its fundamental interest in the security, the stability, and the welfare of the peoples and states of the Near East, South Asia, and Africa and sought to achieve its objectives within this broad interest.

Specifically, the United States was confronted with a number of important and concrete issues, which illustrate the kinds of problems brought to the American doorstep, including (1) the Anglo-Iranian oil controversy, which was pushed toward solution by August 1954; (2) the Anglo-Egyptian dispute with respect to the Suez Canal Zone, agreement on which was reached in October 1954; (3) the problem of Cyprus, which the Greek Government presented to the United Nations General Assembly in the fall of 1954;

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See footnotes on pp. 63-70.

(4) the perennial problem of Palestine; and (5) the North African questions of Morocco and Tunisia.

In his report on the work of the United Nations for 1953-1954,<sup>2</sup> Secretary-General Dag Hammarskjöld made general reference to problems arising especially from areas like the Near East, South Asia, and Africa and more particularly to issues involving questions of self-determination of peoples and the economic development of underdeveloped countries—issues as likely to determine the “shape of things to come” as the so-called East-West conflict. In the view of the Secretary-General, experience had demonstrated, particularly since the end of World War II, “the complexities of the problems and at times the threats to peace found in the areas, still very numerous, inhabited by non-self-governing peoples.” The many issues in this sphere which regularly confronted the United Nations called for “a balance between vision and restraint, recognizing the fundamental right to self-determination as well as the fact that the exercise of self-determination” might be “self-defeating if not wisely and carefully prepared.” The manner in which such issues were dealt with would have “a serious bearing also upon the future course of world events.”

Another great set of issues lay in the field of the economic development of underdeveloped areas. Indeed, the Secretary-General indicated that, in this general field, there were two trends which, if permitted to go unchecked, might prove more dangerous in the long run than the conflicts which so monopolized the attention of the United Nations. The first of these was the rapid increase in population, especially in those areas where standards of living were lowest. The other was the manner in which standards of living in those same areas were “still lagging far behind those of the more economically advanced regions.” It was, moreover, clear that no attack on these trends could be successful “without a combination of measures of an order of magnitude far beyond” what had “so far been undertaken.”

These were not, however, the only issues, for there were those of internal stability and the problem of the general economic imbalance from which world trade was still suffering. In the view of the Secretary-General, the United Nations would, as the only tool of its kind available to member governments, “make an essential contribution in developing a policy which in due time” would

“raise the economically underdeveloped areas to a level” where they would “take their proper place in world trade and find a basis for a progressive social policy giving their populations a fair share in the growing wealth of the world.”

## **The Anglo-Iranian Oil Controversy**

An important issue in the Middle East in which the United States was very much interested, and in the settlement of which it played a major role, was the Anglo-Iranian oil controversy. The problem involved not merely the difficult and complicated question of oil but also the normalization of Anglo-Iranian relations, which had been interrupted in 1951, as well as the ultimate restoration of Iran's rightful place in the free world and the continued prospect of social and economic progress within that country. Two American officials played stellar parts in the events which led to final settlement. One of these was Herbert Hoover, Jr., who had been a consultant in the Department of State since September 1953. The other was the United States Ambassador to Iran, Loy W. Henderson, who served as the principal point of contact between the British, the Iranians, and the oil companies during the difficult negotiations.<sup>3</sup>

The announcement of final agreement was made in a joint statement by the Government and the Oil Consortium on August 5, 1954.<sup>4</sup> An essential part of the Consortium agreement was the settlement of the question of compensation to the Anglo-Iranian Oil Company. Two companies were to be formed to operate the oilfields and the Abadan refinery, respectively, and they were to receive the necessary rights and powers from the Iranian Government and the National Iranian Oil Company and to exercise them on their behalf to the extent specified in the agreement.

The Consortium companies were to pay the National Iranian Oil Company for all the oil required for export and sell the crude oil and products exported, while the latter might take the crude oil in kind, in lieu of payments, up to 12½ percent of total exports. Products for consumption within Iran were to be available to the National Iranian Oil Company at substantially their cost. The agreement covered a period of 25 years, with provisions for three

5-year extensions. Through payments to the National Iranian Oil Company and the application of Iranian tax laws, it was estimated that the total direct income to Iran from the increased scale of operations for the first 3 full years, following an initial period of 3 months, would be £150,000,000 (\$420 million). The estimated figures began at £31,000,000 (\$86 million) for the first full year of operation, increasing to £67,000,000 (\$185,600,000).

The National Iranian Oil Company was to continue to operate the Naft-I-Shah oilfield and the Kermanshah refinery to produce part of Iran's own domestic needs, and to continue to handle the distribution of oil products in Iran. It was also to be responsible for all facilities and services not directly a part of producing, refining, and transportation of the operating companies.

Production of crude oil from Iran, following the initial 3 months, was to be increased progressively, bringing total exports of crude and products to a minimum of 80 million cubic meters (78 million tons; 500 million barrels for the first 3-year period), with 5 million cubic meters for internal consumption. But following the third year, it was to be the policy of the Consortium to continue taking quantities of crude which would reasonably reflect the supply and demand trend for crude oil in the Middle East, "assuming favorable operating and economic conditions in Iran."

Large-scale operations at the Abadan refinery were to be resumed as quickly as possible. Following the initial 3-month period, it was expected that a total of 35 million cubic meters (30 million tons; 220 million barrels) of crude would be processed for export during the first 3 years of operation, with 15 million cubic meters (13 million tons; 94 million barrels) processed during the last 3 years, a rate which would "once again establish Abadan's output as the largest in the Eastern Hemisphere, despite sharp increases in refinery capacity in that area during the last three years."

The two operating companies in Iran were to be organized by the Consortium and to carry on operations within a specified area, one to deal primarily with exploration and production and the other with refining. Both were to be registered in Iran with their own management and operating headquarters and incorporated under the laws of the Netherlands. They were to have seven directors in each company, two to be named by Iran and five by the Consortium.<sup>5</sup>





*An American teacher, sent to Iran under Fulbright program, teaches fertilizing methods to students at Near East Foundation's rural teacher-training school near Tebran.*

President Eisenhower greeted the signature of the agreement, and the Shah expressed the hope that Iran might now "look forward to an era of economic and social development" which would improve the lot of his people, "as well as further consolidate the security of the Middle East." That was also the sentiment of the Iranian Foreign Minister, Abdollah Entezam, who hoped that the Iranian Government would "be able with revenues derived therefrom to carry out its economic and social programs for raising the standards of living of the Iranian people." He also realized that "the execution of these programs" would "play an important part in the maintenance of peace and international security" and was certain that American officials were doing all they could "to assist in the economic and social development of Iran."<sup>6</sup>

Agreement in principle with respect to the oil controversy, it was thought, would eventually bring Iran into closer association with the West and its anti-Communist neighbors. The agreement was presented to the Iranian Parliament on September 21. One

month later the Majlis acted favorably, and on October 28 the Senate approved ratification, which was completed when the Shah gave the royal assent on October 30.<sup>7</sup> Iranian oil began moving to the world market on October 31, when the tanker *British Advocate*, of the oil fleet of the Anglo-Iranian Oil Company, pulled away from the refinery quayside with 11,500 tons of oil bound for Trincomalee, Ceylon, the first Iranian oil to move freely into world markets in 40 months. With the resumption of the Iranian oil industry, the Department of State announced that there was reason to believe that Iran would be "in a better position than in the recent past to make full use of its great natural resources," that its people would "enjoy a new era of economic and social progress," and that they would "play an ever-increasing role in the maintenance of peace and security in the Middle East."<sup>8</sup>

## **The Anglo-Egyptian Controversy Concerning the Suez Canal**

While it was primarily a matter for settlement between the United Kingdom and the Egyptian Government, the United States was very much interested in a settlement of the Anglo-Egyptian controversy with regard to the Suez Canal Zone. As in years past, the United States was concerned with the freedom and security of this great international arterial water route and with the defense of the Eastern Mediterranean and the security of the Middle East.

The United States had indicated its interest in the problem, among other ways, in the promotion of the Middle East Command and the Middle East Defense Organization in 1951-1952. As a friend both of Egypt and of the United Kingdom, it had sought to encourage an amicable and equitable settlement of the controversy, and Jefferson Caffery, U.S. Ambassador to Egypt, had played an important role in finding an ultimate solution. The United States was, therefore, gratified when the United Kingdom and Egypt, on July 27, 1954, signed Heads of Agreement with respect to a settlement, and it was agreed that, "with a view to establishing Anglo-Egyptian relations on a new basis of mutual understanding and firm friendship, and taking into account their obligations under the United Nations Charter, an agreement regarding the Suez Canal should now be drafted."<sup>9</sup>



Both President Eisenhower and Secretary Dulles greeted the Anglo-Egyptian agreement in principle concerning the Suez Canal, the latter characterizing it on July 28 as—

a major step in the evolution of the relations between the states of the Near East and the nations of the West. This agreement eliminates a problem which has affected not only the relations between the United Kingdom and Egypt but also those of the Western nations as a whole with the Arab States.

Secretary Dulles hoped that it would mark “the beginning of a new era of closer collaboration between the states of the Near East and those of the West.” He continued,

Thanks to this agreement a new and more permanent basis has been laid for the tranquillity and security of the Near East. The United States welcomes in particular Egypt’s decision to make the Suez Base available to the United Kingdom in case of aggression against the area. The United States is also pleased to note the recognition by the two parties of the importance of the Suez Canal and the determination to uphold the Convention of 1888, which guarantees freedom of navigation through this vital artery.

The United States was also favorably impressed by the plans of Egypt to concentrate on internal social and economic development. With the solution of the problem of the Suez Base, the United States welcomed the stated intention of the Egyptian Government “to devote its full energies to these problems so important to the future well-being of the Egyptian people.”

Secretary Dulles extended his “heartiest congratulations” on August 3 to British Foreign Secretary Eden and to Prime Minister Gamal Abdel Nasser and Foreign Minister Mahmoud Fawzi. All appeared to share his view that the agreement would make a genuine contribution both to the establishment of friendship and to the stability of the Middle East. Secretary Dulles was certain that the settlement would—

establish the foundation for even closer collaboration between our countries on the problems affecting the Near Eastern area, and in the long run the Agreement will produce greater stability and defensive strength in the area.

In turn, Prime Minister Nasser was confident that it would “start a new era of closer cooperation with the United States as well as with all other friendly countries,” and he was grateful “for the help and assistance of the leaders and the Government of the United States” in bringing it about.<sup>10</sup>

The final agreement, signed on October 19 at Cairo, carried out in detail the principles embodied in the Heads of Agreement.<sup>11</sup> Among other things, it provided for the complete withdrawal of British forces from Egyptian territory within a period of 20 months after signature, ended the Anglo-Egyptian alliance of August 26, 1936, and called for maintenance of parts of the base "in efficient working order and capable of immediate use" in accordance with article 4 of the agreement.

Article 4 contained the essential provision with respect to defense. It stipulated:

In the event of an armed attack by an outside Power on any country which at the date of signature of the present Agreement is a party to the Treaty of Joint Defence between Arab League States, signed in Cairo on the 13th of April 1950, or on Turkey, Egypt shall afford to the United Kingdom such facilities as may be necessary in order to place the Base on a war footing and to operate it effectively. These facilities shall include the use of Egyptian ports within the limits of what is strictly indispensable for the above-mentioned purposes.

British forces, however, were to be withdrawn immediately upon the cessation of hostilities (article 5). In the event of a threat of an

*British troops leave Egypt for new stations, following last year's Anglo-Egyptian agreement on Suez Canal.*



armed attack by an outside power, according to article 6, either upon a party to the Arab Treaty of Joint Defense or upon Turkey, there was to be "immediate consultation" between Egypt and the United Kingdom.

While article 7 provided for the right of overflying, landing, and servicing facilities for notified flights of aircraft under Royal Air Force control, article 8 embodied the essential principles concerning the Suez Canal:

The two Contracting Governments recognise that the Suez Maritime Canal, which is an integral part of Egypt, is a waterway economically, commercially and strategically of international importance, and express the determination to uphold the Convention guaranteeing the freedom of navigation of the Canal signed at Constantinople on the 29th of October 1888.

The agreement, according to article 10, was not to affect in any way "the rights and obligations of the parties under the Charter of the United Nations" and was not to be so interpreted. It was to remain in force for 7 years from the date of signature, and 12 months prior to expiry the two Governments were to consult to decide on such arrangements as might be necessary upon termination of the agreement (article 12).

The organization of the base, in accordance with annex I of the agreement, gave the United Kingdom the right to maintain certain agreed installations and to operate them for current requirements. But following withdrawal of British forces, which was to take place within a period of 20 months from the date of signature, the Egyptian Government was to assume responsibility "for the security of the base and of all equipment contained therein, or in transit on Egyptian territory to and from the base." There was also provision for contracts with one or more British or Egyptian commercial firms for the upkeep and operation of installations, which would have the right to engage British and Egyptian civilian technicians and personnel, the number of British technicians not to exceed an agreed figure. The Egyptian Government was to maintain in good order such installations, public utilities, communications, bridges, pipelines, and wharves as would be handed over in accordance with the Anglo-Egyptian agreement. The United Kingdom was to have facilities for inspection.

Achievement of the final agreement concerning the Suez Canal Zone also produced genuine satisfaction in the United States, and Secretary Dulles, on October 19, pronounced it "an event of far-

reaching importance and an occasion for renewed congratulations to both countries."<sup>12</sup> He believed that "the removal of this deterrent to closer cooperation" would "open a new approach to peaceful relations between the Near Eastern states and other nations of the free world" and hoped that this cooperation might now "develop fully to the mutual advantage of all concerned" and "strengthen the stability and security of the area." With Egypt now assuming "new and fuller responsibilities" as the Suez Base passed from British to Egyptian hands, Secretary Dulles once more expressed his satisfaction that Egypt had reiterated "its adherence to the principle of freedom of transit through the Canal in conformity with the 1888 convention."

## The Question of Cyprus

One of the interesting problems with which the United States was confronted in the General Assembly of the United Nations during the fall of 1954 was that of Cyprus.

The history of the Island of Cyprus goes back to ancient days. Cyprus had been ruled by Assyrians, Phoenicians, Persians, Ptolemies, Greeks, Romans, Byzantines, Lusignan princes, and Venetian merchants before it came under Ottoman sovereignty in 1571. The Island was brought under British administration in an Anglo-Ottoman agreement of June 4, 1878, a few days before the opening of the Congress of Berlin, after the Russo-Turkish War of 1877-1878. According to that agreement, in order to meet the threat of Russian advances into Eastern Anatolia, the British Government promised to defend the Ottoman Empire against any further attack on Ottoman Asiatic territories and, in return, Great Britain was to occupy Cyprus.

The technical status of the Island was changed on November 5, 1914, when Cyprus was formally annexed, following the entry of the Ottoman Empire into the First World War against the Allied Powers. As one of the inducements to bring Greece into the war, Great Britain offered Cyprus to Greece in 1915. In the Treaty of Lausanne, July 24, 1923, Turkey recognized the annexation of Cyprus and renounced all rights and title with regard thereto. It became a Crown Colony in 1925. The population of the Island

is about 500,000, about 80 percent of whom are Greek-speaking and Orthodox Christian in faith, and about 20 percent Turkish and Moslem.<sup>13</sup>

Prior to the ninth session of the General Assembly, no official attempt had been made to place the question of Cyprus on the agenda. There were, however, brief references to the problem at the seventh session in 1952, and at the eighth session, on September 21, 1953, Ambassador Alexis Kyrrou declared the intention of Greece to bring the issue before the United Nations if direct Anglo-Greek discussions proved to be fruitless.<sup>14</sup>

Since the Greek Government believed this to be the case, it filed a request on August 20, 1954, with the Secretary-General of the United Nations asking that the problem be placed on the agenda.<sup>15</sup> The problem was brought before the General Assembly under articles 1 (2), 10, and 14 of the charter, although the Greek Government reserved the right to refer to article 35 (1), in case it considered such a course justified by subsequent developments. After reviewing briefly the history of the problem, from the Greek point of view, the Greek memorandum indicated that Greece had exhausted all diplomatic steps and that the Government felt impelled to address the United Nations "to redress this situation by achieving the solution called for by justice, dignity and the sacred principles set forth in the Charter." It appealed to the General Assembly, convinced that it would "accomplish a constructive work of peace and freedom."<sup>16</sup>

On July 28, the United Kingdom had indicated that it could not "contemplate a change of sovereignty in Cyprus" but would proceed with constitutional changes which were, as yet, not fully worked out. In a statement of August 19, the United Kingdom publicly set forth its position concerning the problem of Cyprus.<sup>17</sup> After indicating that, with the exception of a brief period in the 4th century, B. C., Cyprus had never belonged to Greece, and that the Russian danger which had brought Great Britain to Cyprus in 1878 still threatened, the British statement advanced a number of strategic considerations for continued British sovereignty over the Island, namely that (1) effective British control was essential to the fulfillment of British strategic obligations in the Middle East and to the North Atlantic Treaty Organization; (2) a Cyprus base leased from Greece could not afford the necessary security of tenure; (3) Great Britain could no more consider relinquishing

sovereignty over Cyprus than over Gibraltar, and its experience in Egypt had shown that bases without sovereignty could not always be relied upon.

The British statement also contended that the internal political development of Cyprus had been retarded by the rejection in 1948 of a constitution, and that the Communist Party in Cyprus was now "a real menace to democratic development" in the Island. The new constitutional project, in the British view, would protect Cyprus from "encroaching communism" by providing for an official and nominated majority in the legislature. Finally, the United Kingdom contended that, since Cyprus was a dependent territory, its affairs were entirely within the domestic jurisdiction of the United Kingdom and that intervention by the United Nations would be contrary to article 2 (7) of the charter and therefore illegal. The United Kingdom also maintained that debate in the General Assembly could do nothing but exacerbate feelings at a delicate stage, thus delaying indefinitely the political progress of Cyprus, which it was the responsibility of the United Kingdom to promote. Debate on the issue would also serve the purpose of the Soviet Union to foster differences among the Western allies.<sup>18</sup>

## DEBATE ON INSCRIPTION

The question of formal inscription of the problem of self-determination in Cyprus on the agenda of the ninth session of the General Assembly came before the General Committee on September 23, 1954, with Mr. Kyrrou, the Director General of the Greek Foreign Ministry, presenting the case for inscription.<sup>19</sup> Reducing the issue to its essentials, Mr. Kyrrou declared that it pertained to "the future political status of a mature and civilized population upon whom a foreign rule" had been imposed, and that Greece had been compelled to resort to the General Assembly because the United Kingdom had refused to discuss the problem and had indicated that Cyprus belonged to "certain territories in the Commonwealth which, owing to their peculiar circumstances," could "never expect to be fully independent." The Greek Government felt that the "liberation" of Cyprus constituted "a major moral issue" and had based its appeal on articles 10 and 14 of the charter. Mr. Kyrrou held that few cases fitted as well within the framework of

the charter, since the General Assembly was authorized to "recommend measures for the peaceful adjustment of any situation, regardless of origin," which it deemed "likely to impair the general welfare or friendly relations among nations, including situations resulting from a violation of the provisions" of the charter "setting forth the purposes and principles of the United Nations."

In turn, Selwyn Lloyd, who responded for the United Kingdom, opposed inscription and considered the problem a "test of wisdom" for the United Nations. Mr. Lloyd repeated the basic British position, pointed out that Greece had been a signatory of the Treaty of Lausanne, which had recognized British sovereignty over Cyprus, and contended that the Greek action would establish a precedent that a state could raise a question within the United Nations which had already been settled by a treaty, in conflict with the preamble of the charter concerning "respect for obligations arising from treaties and other sources of international law."

Mr. Lloyd also pointed out that, through *enosis*, Greece desired not merely to terminate British sovereignty but to assume sovereignty itself, and was thus asking for interference in the domestic jurisdiction of a foreign power in order to effect an advantageous territorial change. This "most disturbing precedent," in the British view, would mean that few frontiers could be considered permanent. If established, "the floodgates would be opened to claims and counterclaims, friction and bad feeling and subversive activities among the ethnic groups would be encouraged everywhere." Mr. Lloyd especially deprecated the reference to article 35 (1) of the charter, which related to disputes "likely to endanger the maintenance of international peace and security," since he could not understand how the situation in Cyprus could endanger the peace except through armed action on the part of Greece. He also considered that article 2 (7), concerning domestic jurisdiction, was "applicable in its entirety to a discussion of the matter in the General Assembly" and contended that "discussion" amounted to "intervention."

But the Greek Government, said Mr. Lloyd, was even asking for action by the United Nations and a change of sovereignty, which would be "such a flagrant violation of article 2 (7) of the charter that the inscription of the item would have serious consequences" for Britain's relations with the United Nations, which he did not

specify at the moment. He did suggest, however, that, in voting on inscription, governments should be guided by "political realities" and by the interests of the United Nations. He noted that the propaganda of the Orthodox Church and the Communists of Cyprus represented an "emotional appeal" which was bitterly opposed by the strong Turkish minority on the Island, and he recalled the 50-year record of the British administration with pride.

In conclusion Mr. Lloyd pointed out the strategic importance of Cyprus in the fulfillment of British responsibilities under the North Atlantic Treaty Organization and under various Middle East treaties. In the British view, a public debate in the United Nations could only affect friendly relations in the Eastern Mediterranean, and satisfaction would be drawn only by those elements which sought "to profit by international tension." Moreover, other governments might "try to fish in troubled waters." Mr. Lloyd assured Mr. Kyrrou that there was "nothing anti-Greek" in the British position, but the United Kingdom stood by its views "in the interests of our two countries and of the United Nations," and would do all it could "to see that this disagreement" raised "no bitterness" and left "no scars."

Both the French and Turkish representatives fully shared the British view in general and as to the application of article 2 (7) of the charter, while Ambassador Francisco Urrutia of Colombia expressed "certain doubts" concerning the problem and wondered whether the "sacred right" of self-determination applied when the aim was not independence but a change of sovereignty. Mr. Urrutia was also concerned with the element of stability and recalled that in the Western Hemisphere "foreign support" had led to a movement which had been very difficult to suppress. If the principle of self-determination were accepted in the case of Cyprus, it might lead to a whole series of cases which had been regarded as settled, and it might be dangerous to world peace if ethnic groups could look to the United Nations for a "sort of permanent plebiscite" on questions of sovereignty. Mr. Urrutia considered it unfortunate that a "hasty" decision had to be taken on an issue which had so many implications, and would abstain on inscription.

Mr. Kyrrou was "deeply moved" by the remarks of Mr. Lloyd and fully shared the latter's friendly sentiments, but he believed that an airing of the Cyprus problem would not injure Anglo-Greek or Greek-Turkish relations. Mr. Kyrrou noted that, under

article 73 (e) of the charter, the United Kingdom had acknowledged that Cyprus belonged to a "special category" of territories, the goal of which was self-determination, while article 103 established the priority of charter obligations over those flowing from treaties such as the Treaty of Lausanne (article 20). Mr. Kyrrou also contested the British interpretation of article 2 (7), holding that it should be interpreted in the light of the entire charter, and particularly in the light of article 10 and the purposes and principles enshrined in articles 1 and 2, lest the principal provisions of the charter be rendered "nugatory."

While Mr. Lloyd closed with the comment that Mr. Kyrrou had really been outlining "the Greek claim to Cyprus," not merely urging inscription of the problem on the agenda, the General Committee now proceeded to approve inscription, by a vote of 9 to 3, with 3 abstentions.<sup>20</sup>

The plenary session of the General Assembly considered the matter of inscription on September 24, a move by Dr. Fadhil Mohammed al-Jamali of Iraq temporarily to postpone the issue being rejected by a vote of 24 to 24, with 12 abstentions, with the United States favoring postponement.<sup>21</sup> In the ensuing discussion, Mr. Lloyd repeated the British case, announcing that the United Kingdom would take no part in the discussion in the event of inscription of the problem of Cyprus on the agenda. Moreover, he indicated that the United Kingdom had based its case against inscription on grounds which were "far wider" than that it would violate the charter, and he asked the General Assembly to "look where you are going" lest all frontiers become useless under the principle of self-determination espoused by Greece. Mr. Lloyd declared that all treaties resulted in frontiers which divided ethnic groups and that practically none could stand if attacked on the basis of self-determination. He especially called upon the Latin American representatives to ponder the issue well. Finally, Mr. Lloyd felt it to be "political folly" to place an issue of this sort on the agenda and reiterated that there was no oppression in Cyprus. He closed with a repetition of the British position on the strategic importance of Cyprus in connection with the United Kingdom's responsibilities under the North Atlantic Treaty Organization and referred to recent constitutional proposals with regard to Cyprus.

There were other expressions of concern with regard to placing the question of Cyprus on the agenda. Halvard Lange of Norway

was opposed to inscription (1) because the United Nations was "obliged" to refrain from becoming an impediment to a solution of a problem and (2) because, as presented, the question went beyond the charter concerning self-determination. Mr. Lange believed that the consequences of embarking on the course proposed by the Greek Government were "unpredictable and ominous" and that inscription could only harm the relations between the United Kingdom and Greece. Ambassador Selim Sarper of Turkey, who noted the Turkish alliances with Greece and the United Kingdom, declared that it would have been wiser not to have created a "Cyprus question," considered British administration of the Island to be a domestic problem under article 2 (7) of the charter, and felt that inscription would be "too heavy a burden" for the United Nations to bear. It was also interesting to observe that V. K. Krishna Menon of India said he could not support inscription since the Greek proposal, essentially, called for transferring sovereignty from one country to another, not for self-determination or independence.

Foreign Minister Stephanos Stephanopoulos of Greece closed the discussion with an exception to Mr. Lloyd's remarks concerning the historical association of Cyprus with Greece, noted Greek-Turkish friendship as "a political reality," and rejected the British

*Greetings are exchanged by Greek and Turkish troops in first joint maneuvers held by those two countries under NATO.*



interpretation of article 2 (7) as applied to the question. As to the strategic reasons for retention of Cyprus under British sovereignty, Mr. Stephanopoulos wondered what good strategic bases could be if they were located among an essentially hostile population.

In the end, inscription was approved by a vote of 30-19-11, with the United States abstaining but, again, taking no part in the discussion of the problem. Serious doubts about bringing up the problem were expressed by J. M. A. H. Luns of the Netherlands, Paul Martin of Canada, and Ambassador Urrutia of Colombia, who explained that Colombia had switched to a negative vote because it believed the Lausanne Treaty should be respected. On the other hand, the Egyptian delegation approved inscription because of the element of self-determination.<sup>22</sup>

The Greek Government was pleased with the decision on inscription, but there was no further specific reference to the problem until it came before the Political and Security Committee (Committee I) at the close of the ninth session. During the general debate on September 30, however, Foreign Minister Stephanopoulos stressed two matters which he considered of special significance: (1) support for the principles of the United Nations Charter despite current political interests; and (2) respect for resolutions of the General Assembly.<sup>23</sup> Mr. Stephanopoulos noted that certain delegations had declared the intention of their governments to ignore any action or resolution of the General Assembly which did not conform with their views or interests. He thought it "particularly regrettable" that "they came here to show us the 'wastebasket' into which certain governments intend to throw the resolutions and recommendations of the Assembly." From the viewpoint of major interests of the United Nations, this was "inadmissible." In the Greek view, all member states should recognize the moral authority of the United Nations which they had undertaken to respect. If they recognized as valid only such decisions as they wished, the United Nations would be threatened by mortal danger, and Mr. Stephanopoulos thought the problem called for study and constructive solutions.

## DISCUSSION IN COMMITTEE I

The Cyprus question came up for formal discussion in Committee I on December 14 and 15.<sup>24</sup> On a point of order at the out-

set, Ambassador Leslie Knox Munro of New Zealand introduced a resolution whereby the General Assembly would agree not to consider the problem further. While Ambassador Munro, and those who supported his position, were not seeking to stifle discussion, he was fearful lest extended and possibly acrimonious debate lead to mischief and create difficulties between the states directly concerned. He held the view that, not the question of self-determination, but a Greek territorial claim was essentially involved. In turn, the representative of Greece, Ambassador Kyrou, presented a draft resolution whereby the General Assembly would express the "wish" that the principle of self-determination be applied to Cyprus, and he vigorously denied that the question was a mere Greek territorial claim. In supporting priority for the draft resolution of New Zealand, Ambassador Henry Cabot Lodge, Jr., of the United States declared that the raising of the Cyprus issue in the United Nations at the time had been a matter of very deep concern to the United States. Mr. Lodge said,

It affects the interests and sentiments of nations and peoples with whom we feel the closest bonds of sympathy. Moreover, the welfare of much of the free world depends upon the maintenance of their historic friendship and mutual trust among each other.

The United States is convinced that the paramount task before this body is to dispose of this item so as not to impair that friendship and trust, because that continuing relationship and solidarity are vitally important to the peace and stability of the area of which Cyprus is a part.

After very searching and deliberate thought and lengthy consultations with those directly concerned, we in the United States Government have reached the conclusion that the course of wisdom is that proposed by the representative of New Zealand.

Recognizing the deep emotions which have already been stirred by this issue, we believe that a prolonged consideration in this forum would only increase tensions and embitter national feelings at a time when the larger interests of all concerned are best served by strengthening existing solidarity among the freedom-loving nations.

Antony Nutting, the representative of the United Kingdom, who was not prepared to discuss the substantive issue, indicated that the United Kingdom, which considered the problem of Cyprus as falling under its domestic jurisdiction under article 2 (7) of the charter, was proceeding toward self-government in Cyprus. He could

see no useful purpose in this discussion and warned that the committee was faced with a "very grave decision," since the area concerned was politically delicate and the scene was historically one of great tragedy. "Impetuous action" might release forces which could sweep away the efforts of a generation.

The substance of the issue was, in fact, discussed on the basis of Ambassador Munro's proposal, with Ambassador Kyrrou outlining the Greek position on the afternoon of December 14.<sup>25</sup> Ambassador Kyrrou traced something of the history of the problem, outlined the movement toward self-determination in Cyprus, denied that Greece sought a territorial change as such, maintained that Greece would abide by any freely expressed decision of the people of Cyprus, and indicated that a solution was being sought through the orderly processes of the United Nations, based essentially upon articles 1 (2) and 10 of the United Nations Charter. Ambassador Sarper of Turkey, who said he considered that the Cyprus question was artificially stimulated and that it should never have come to the United Nations because of article 2 (7) of the charter, pointed to the long historical association of the Ottoman Empire with Cyprus from 1571 to 1878 and to the large Turkish element of 100,000 people on the Island, and expressed his concern lest debate on the issue affect Anglo-Greek-Turkish relations within the North Atlantic Treaty Organization and weaken the structure of the new Greek-Turkish-Yugoslav treaty of mutual assistance. He declared that Turkey considered the status of Cyprus as fixed under the terms of the Treaty of Lausanne and stated that if the issue were raised again, in whatever form, justice and equity could be served if Turkish consent and cooperation were "unequivocally obtained," for otherwise no decision could be enduring.<sup>26</sup>

In the end, the proposal of New Zealand, to which priority had been given, was approved as amended by Colombia and El Salvador. The General Assembly decided that, "for the time being," it was "not appropriate to adopt a resolution on the question of Cyprus" and that it should not consider the matter further.<sup>27</sup> The vote in Committee I was 49 in favor, with none against and 11 abstentions. In the plenary session of December 17, the vote was 50 in favor, none against, and 8 abstentions.<sup>28</sup>

## The Problems of Palestine

The United States was faced with a number of problems arising from the issue of Palestine during the course of 1954, involving the perennial question of frontier incidents, the strengthening of the United Nations Truce Supervision Organization, the Israel-Egyptian controversy over transit of the Suez Canal, the refugee problem, and the development of a regional approach to the water problem. Although the Security Council of the United Nations was busy with various aspects of the Palestine problem during 1954, little was accomplished. Indeed, the Secretary-General of the United Nations reported to the ninth session of the General Assembly in the fall of 1954 that the situation in the Middle East had deteriorated and that the efforts made in the Security Council to improve conditions were "without result."<sup>29</sup> The Secretary-General offered his services to the parties to facilitate negotiations aiming at the solution of "certain practical problems of limited scope." He felt, however, that—

it should be recognized that the time is not yet here for a peace settlement between the Arab States and Israel. But this should not render impossible the elimination of many points of friction which do not raise any questions of principle. In the meanwhile, it is the duty of the countries concerned to put an end to actions of reprisal which, in a sinister series of attacks and counterattacks, have cost many innocent lives and have embittered the relations between the peoples of the region. The situation has been further complicated by steps which have reduced the opportunities for the United Nations organs in the field to render their impartial services to the parties concerned. The existing situation is a matter of deep concern. In the effort to build up the authority of the United Nations as an agent for peace and justice, the co-operation of the Governments of the Members in the area is essential.

Assistant Secretary Henry A. Byroade described the outlook of the United States on the problem of Palestine in an address before the Dayton (Ohio) World Affairs Council on April 9.<sup>30</sup> Mr. Byroade reviewed the story of the Middle East, noted its significance for the United States, and described the attempts of the United States to bring about some kind of settlement of the Israel-Arab conflict, including the encouragement of regional defense measures against external aggression. He outlined the conflicting

Israel and Arab views of the situation, and then, speaking directly to the parties concerned, said:

To the Israelis I say that you should come to truly look upon yourselves as a Middle Eastern state and see your own future in that context rather than as a headquarters, or nucleus so to speak, of worldwide groupings of peoples of a particular religious faith who must have special rights within and obligations to the Israeli state. You should drop the attitude of the conqueror and the conviction that force and a policy of retaliatory killings is the only policy that your neighbors will understand. You should make your deeds correspond to your frequent utterances of the desire for peace.

To the Arabs I say you should accept this state of Israel as an accomplished fact. I say further that you are deliberately attempting to maintain a state of affairs delicately suspended between peace and war, while at present desiring neither. This is a most dangerous policy and one which world opinion will increasingly condemn if you continue to resist any move to obtain at least a less dangerous *modus vivendi* with your neighbor.

This address was subject to much criticism from both Israel and Arab sources.

Mr. Byroade spoke again on May 1 before the American Council for Judaism at Philadelphia, referring particularly to recent developments in Soviet policy in the Middle East and pointing to a number of fundamentals in the situation.<sup>31</sup> In the first place, he saw no likelihood of an early and formal peace settlement between the Arab States and Israel, although he had not lost hope of some kind of *modus vivendi*. He thought the Arab States should accept the existence of Israel but were entitled to know "the magnitude of this new State." Second, the Arab fear of expansionist Zionism should be understood and met not only by the assurances of the great powers but by Israel itself. A third element in the picture was the Arab mistrust of the great powers, especially the United States, with respect to the Arab-Israel controversy, since the Arabs questioned the ability of the United States, the United Kingdom, and France to fulfill their obligations concerning aggression under the Tripartite Declaration of May 25, 1950,<sup>32</sup> if Israel decided upon "expansive aggression." A fourth lay in the fact that a large portion of the people involved in the Arab-Israel conflict were homeless and that the problem of these desperate refugees was still unsolved, whether by compensation or by repatriation. A solution of this problem, in Mr. Byroade's view, would do more than anything else to reduce the border violence. A fifth aspect of the problem was



*The Kasmie irrigation project, where American technicians are helping Lebanon irrigate 12,000 acres.*

that the quarrel which divided the Arab States and Israel was not basically religious but essentially a nationalistic quarrel "such as could arise with equal bitterness between two other peoples whose national aspirations clashed." The final fundamental was one of basic attitude—of superiority and contempt for the other on the one hand and of negativism on the other. Mr. Byroade closed:

It is only with a decrease of immediate incidents along the borders and a period of relative tranquillity that minds can turn to an honest approach to more fundamental and underlying causes of this dispute. This atmosphere one would hope would then be conducive to face the real and permanent threat to the whole area. The peoples of the Middle East could then without distraction devote more attention to the greater understanding of the real goals of Soviet imperialism. With confidence established in their interrelationships, all the states of the Middle East could concentrate and attend their energies to safeguard the precious heritage of freedom to which we all dedicate ourselves. For the plans of Communist imperialism envisage the total destruction of the religions, cultures, and independence of us all. Each one

of us must make some sacrifice to attain the preservation of common freedom. The United States for its part has shown that it is willing and anxious to go far toward making this a reality.

## REPLY TO AMBASSADOR EBAN

In response to a protest from Israel Ambassador Abba Eban on May 5, Mr. Byroade explained that he had spoken frankly on the underlying causes of the Arab-Israel controversy because it seemed to be increasingly affecting the security of the Middle East and, hence, of the United States.<sup>33</sup> The American people, in his view, were entitled to such information, especially because of the new evidence of Soviet intentions in the Middle East, but he regretted that the Israel Government had interpreted his remarks on the subject of immigration as an intervention in Israel's domestic affairs. The Israel Government, he said, seemed to have overlooked the basic point that the Arab world did have a fear of Israel expansion, and he hoped that Israel would give serious attention to finding a solution of the problem raised. His address, he said, had merely stated that assurances by the great powers should be supplemented by Israel herself. Israel should find some way to lay at rest this concern of her neighbors and thus remove the specter of fear—which did not seem to him to be based upon reality—from minds in the Middle East. Wise statesmanship might find a way to such accomplishment.

Deputy Under Secretary Robert Murphy sounded much the same note before the Zionist Organization of America on June 24.<sup>34</sup> Among other things, Mr. Murphy remarked that those in the Department of State who regularly dealt with "ramifications of the problem" were "affected by sympathy and desire to effect solutions" in the interest "of the Jewish community and of our country." But there was "no desire improperly to interfere in the internal affairs of any state."

It remained for President Eisenhower, speaking at the American Jewish Tercentenary Dinner at New York on October 20,<sup>35</sup> however, to state the essence of American policy:

In the Near East, we are all regretfully aware that the major differences between Israel and the Arab States remain unresolved. Our goal there, as elsewhere, is a just peace. By friendship toward both, we shall continue to contribute to peaceful relations among these peoples. And in helping to

# ISRAEL

- · — International boundary, prior to 1948
  - — — Armistice line
  - - - District boundary
  - o District administrative center
- 0 10 20 30 40  
Statute Miles



strengthen the security of the entire Near East, we shall make sure that any arms we provide are devoted to that purpose, not to creating local imbalances which could be used for intimidation of or aggression against any neighboring nations. In every such arrangement we make with any nation, there is ample assurance that this distortion of purpose cannot occur.

## TENSION ALONG DEMARCATION LINES

While the United States in 1954 continued to pursue a policy of impartial friendship in the Middle East, there was little indication of any lessening of tension along the Israel-Arab demarcation lines following the adoption by the U.N. Security Council of the resolution concerning the Qibya incident on November 24, 1953.<sup>36</sup> Nor was the Secretary-General of the United Nations, under article XII of the Israel-Jordan Armistice Agreement of 1949, successful in bringing Jordan and Israel together for a special conference at the headquarters of the United Nations, since Jordan insisted that the proper channel for discussion lay within the framework of the United Nations Truce Supervision Organization, not the United Nations Headquarters.<sup>37</sup>

On February 24, 1954, Gen. Vagn Bennike, Chief of Staff of the U.N. Truce Supervision Organization, submitted a report in accordance with the November 24 resolution.<sup>38</sup> Among other things, he indicated that there had been no incidents comparable with that at Qibya and that Jordan had taken measures to meet the situation, including: (1) an increase in the number of police assigned to the border area; (2) an increase in the number of patrols; (3) replacement of village mukhtars and area commanders where laxity was suspected; (4) removal from the border area of suspected infiltrators and imposition of heavy sentences on known infiltrators; and (5) effective measures, preventive and punitive, to prevent incidents resulting from ploughing across the demarcation line, although the Israel Government protested this interpretation of the situation.

In the weeks which followed there was an increase in tension along the demarcation lines. When the Israel-Jordan Mixed Armistice Commission, under Commander E. H. Hutchison, found it impossible to determine responsibility for an incident at Scorpion Pass on March 17, 1954, in which 11 Israelis were killed, Israel re-

fused to cooperate with that body until Commander Hutchison was replaced (October 11, 1954). A series of incidents followed at Nahhalin on March 29, in which nine Jordanians were killed and 17 wounded, the Jordan Government charging that an Israel task force was involved.<sup>39</sup>

Ambassador Eban called on Secretary Dulles on March 25 to discuss Israel-Arab relations with particular reference to the incident at Scorpion Pass and existing border tensions. The Secretary repeated his deep regret at the loss of life involved but pointed out that the Israel-Jordan Mixed Armistice Commission had not been able to identify the criminals and stressed the necessity for forbearance on the part of all parties and the avoidance of statements or acts which might further disturb the general situation. He also indicated that the United States fully supported the U.N. Truce Supervision Organization and believed that both parties should cooperate with the Mixed Armistice Commission. In particular, the Secretary expressed his hope that Israel would cooperate with the Israel-Jordan Mixed Armistice Commission in further efforts to identify and bring the perpetrators of the ambush to justice.

In reply to Ambassador Eban's request that the United States join the United Kingdom and France in bringing the situation to the attention of the Security Council, Secretary Dulles stated that the United States would exchange views with these Governments, which, he understood, were also being approached by the Israel Government. Mr. Dulles also stated his belief that both parties should adhere faithfully to their obligations under the armistice agreement of 1949 and said he hoped that they would cooperate with the Mixed Armistice Commission in investigating all the facts of the situation and that Jordan would live up to its obligations under article XII of the armistice agreement.

The problem of frontier incidents and tensions came before the Security Council during April and May, but there was no concrete action.<sup>40</sup> An outbreak of violence in Jerusalem, June 30-July 3, 1954, brought forth a message on July 1 from the United States to both Jordan and Israel, in which the United States deplored the outbreak, with its serious loss of life, and urged both Governments to take immediate steps to insure observance of the cease-fire. The United States also hoped that both Governments would cooperate with the U.N. Chief of Staff in his efforts to terminate the clash.<sup>41</sup>

Incidents continued throughout the summer, especially along the Israel-Jordan demarcation lines, and shortly after becoming Chief of Staff of the U.N. Truce Supervision Organization on September 2, 1954, Maj. Gen. E. L. M. Burns was impelled to complain of lack of cooperation, particularly on the part of Israel.<sup>42</sup> In connection with an incident in the Bayt Liqya area early in September, he declared that the holding of military maneuvers in Israel near the demarcation lines increased anxiety on the other side. It was necessary—

that the Governments should keep the situation well in hand, that they should take all possible measures to avoid incidents, that illegal crossings of the demarcation line should be as far as possible prevented, that only well-trained and disciplined military or police personnel be employed in the first line of the defensive organizations of both parties, particularly in the sensitive areas like the Jerusalem area.

## COMPLAINT AGAINST EGYPT

Meanwhile, on January 28, 1954, Israel had urgently requested the Security Council to consider its complaint against Egypt concerning (1) restrictions on the passage of ships trading with Israel through the Suez Canal and (2) Egyptian interference with shipping proceeding to the port of Eilat on the Gulf of Aqaba, in alleged violation of the resolution of the Security Council of September 1, 1951, and of the Egyptian-Israel General Armistice Agreement of February 24, 1949.<sup>43</sup> The Security Council considered the Israel complaint in eight sessions between February 4 and March 29. During the discussion on February 5 Ambassador Eban noted the importance of the problem of freedom of the seas and of fidelity to international conventions and accused Egypt of establishing a general blockade against Israel in violation of the resolution of September 1, 1951, and of the Constantinople Convention of 1888, under which the Canal was to be "always free and open in time of war as in time of peace to every vessel of commerce or of war without distinction of flag." In turn, the Egyptian representative stressed that Egypt was not employing a blockade or interfering with freedom of commerce but was exercising the right of search as a matter of self-defense, since the armistice of 1949 had not brought peace.

At the close of the discussion a resolution submitted by New Zealand was brought to a vote. It recalled the resolution of 1951, noted with "grave concern" that Egypt had not complied with it, and called upon Egypt to remove restrictions on Suez Canal traffic. It also indicated that the Egyptian-Israel Mixed Armistice Commission should deal with the problem of transit of Aqaba. While eight representatives, including Ambassador Lodge of the United States, supported the resolution, the Soviet Union and Lebanon opposed, with the Soviet vote constituting a veto.<sup>44</sup>

The problem of the Suez Canal came before the Security Council again between October and December 1954, on a complaint by Israel that on September 28 Egypt had seized an Israel vessel, the SS. *Bat Galim*, which was involved in a test of the Egyptian restrictions in the Suez Canal. While the discussion of the question, except for the specific application, was along the lines which had become familiar both in 1951 and in the winter and spring of 1954, no decision emerged. On December 4, however, the Egyptian Government indicated that it was preparing to release the crew of the *Bat Galim* as soon as the necessary formalities had been completed, and was ready to release the seized cargo immediately.<sup>45</sup>

The Egyptian Government announced its intention to release the *Bat Galim* on December 23, and on January 1 it did release the crew. During the further discussion of the case on January 4, 1955, in the Security Council, Ambassador Lodge indicated that the "sole desire" of the United States was "to see a just and equitable settlement of the outstanding problems between Israel and her neighbors."<sup>46</sup> He said he did not believe that this could be accomplished "without strict adherence by both sides to the decisions of the Security Council, taken in accordance with its responsibilities for the maintenance of peace and security, and strict adherence to the provisions of the armistice agreements." He also declared that Egyptian restrictions on transit of ships through the Suez Canal, whatever the direction or the flag, were "inconsistent with the spirit and intent of the Egyptian-Israeli General Armistice Agreement, contrary to the Security Council resolution of September 1, 1951, and a retrogression from the stated objectives" to which both sides were committed in signing the armistice agreement. Ambassador Lodge hoped that both Israel and Egypt would take further steps to reduce tensions and believed there had been some lessening of tension in connection with the Palestine question during 1954.

Meanwhile, the Arab States had all protested against the plans for the presentation at Jerusalem of the credentials of the new American Ambassador to Israel, Edward B. Lawson. The Arab chiefs of mission in Washington charged on November 3 that such presentation would constitute a change in the previous United



*Arab refugees—their future remains unresolved.*

States attitude concerning Jerusalem and would be in disregard of "the reaffirmed United Nations resolution on the internationalization of the Jerusalem area."<sup>47</sup> In the course of the conversation, however, Secretary Dulles recalled the policy of the United States to look to the United Nations and stated that, following normal practice, the presentation of credentials would be effected by Ambassador Lawson at the place where the Chief of State actually

was. The fact that presentation would take place in Jerusalem implied no change in the United States attitude regarding Jerusalem, he said, nor did it imply any change in the location of the American Embassy in Israel, which was at Tel Aviv. When Ambassador Lawson presented his credentials on November 12, he expressed the hope that the friendship between the United States and Israel would be strengthened and said he considered it fitting that Americans, who owed so much of their civilization to the inspiration of the prophets of Israel, should work together with Israel "in the great task of building a modern nation in this ancient land."<sup>48</sup>

## GENERAL ASSEMBLY DISCUSSION

The problems of Palestine did not figure prominently in the deliberations of the ninth session of the General Assembly. With the exception of brief reference in the general debate, there was no mention of the political issues. In general, the Arab delegations held to implementation of previous U.N. resolutions as a condition of peace with Israel, and the Syrian delegation, in particular, suggested establishment of a commission to consider the question of the repatriation of refugees, the problem of Jerusalem, and territorial questions.<sup>49</sup> On the other hand, Ambassador Eban of Israel, speaking on October 6, considered the Syrian proposal "frivolous" and suggested, as a step on the road to peace in the Middle East, the conclusion of pacts of nonaggression and pacific settlements, which would include undertakings to respect the territorial integrity and political independence of signatories and to refrain "from all hostile acts of military, economic or political character."<sup>50</sup>

There was considerable discussion of the problem of the Arab refugees from Palestine, now numbering some 950,000. In the end, in a resolution which the United States fully supported, United Nations assistance was extended for a period of 5 more years.<sup>51</sup> Likewise approved was a \$26,100,000 allocation to assist in feeding and caring for the refugees and \$36,200,000 more to promote land development and other works programs designed to make the refugees self-sufficient.

The United States fully supported the program, and Ambassador James J. Wadsworth explained on November 19 that the United

States approved extension of the Relief Agency for another 5 years, if the Sinai reclamation project, the Jordan-Yarmuk project, and others were begun very soon. But if prompt action were not forthcoming, the attitude of the United States would "inevitably undergo thorough reexamination, as its willingness to continue its support" would "in all probability be based on tangible evidence of progress on the programs of public works within a reasonable time." On November 24 he declared that the resolution clearly reaffirmed the right of the refugees to repatriation and indicated his belief that Israel "ought to satisfy one or the other of the two rights" of repatriation and compensation, although the United States also considered it "essential that the refugees understand that the true destiny of most of them lies in the Arab world."

## North African Problems

Because of its concern with broad questions of security and of the well-being and progress of the peoples of the area, the United States maintained its interest in the problems of North Africa during 1954. During his visit to the United States in November, French Premier Pierre Mendès-France reviewed events in North Africa which had "created obstacles to the policy inaugurated by the French Government." But he expressed the hope that French proposals would lead to a prompt solution of the problems and stressed that "external influences" had "affected the situation in North Africa and compromised the security" of North Africa. Secretary Dulles declared that he "would give serious consideration to the matter."<sup>32</sup> In an address to the General Assembly of the United Nations on November 22, Premier Mendès-France referred in particular to the problem of Tunisia and to the negotiations looking toward the laying of "foundations of a lasting agreement."

After a brief discussion of the problems of Tunisia and Morocco, the General Assembly decided, on December 17, to postpone consideration "for the time being" and expressed confidence that a satisfactory solution would be found.<sup>33</sup> The United States had preferred to have no resolution on the question of Tunisia in Committee I but did support the ultimate resolution in the plenary

session, since it expressed confidence that the French and Tunisian Governments were working toward a successful solution of that problem.<sup>54</sup>

## The Problem of Mutual Security

On March 8, 1954, President Eisenhower noted that a series of new and vital measures to promote the defense capabilities, economic strength, and technical advance of the peoples of the free world had marked the progress of the mutual security program during the latter part of 1953, and he laid stress on the program for technical cooperation in the underdeveloped areas where living standards were very low.<sup>55</sup> It was "essential to any forward economic movement that effective steps be taken to improve world living standards by increasing the real wages of the worker, and by achieving higher productivity and greater output to meet the expanding purchasing power." Among other things, the President called attention to the assistance given to Iran since August 1953, and to wheat shipments to Pakistan, Jordan, and Libya.

On June 23, the President submitted his recommendations on the mutual security program for the fiscal year 1955,<sup>56</sup> calling for a program involving about \$3,500,000,000—a reduction of about 40 percent in 2 years—some 70 percent of which was for military programs. Approximately \$256,400,000 was for development assistance largely in the Near East and South Asia, with a grand total of \$570,000,000 to be allocated to the area of the Near East, South Asia, and Africa as a whole. Among other things, the President declared that American participation in technical cooperation programs must be "vigorously advanced."<sup>57</sup> The appropriation bill of August 19, 1954, provided a total of \$2,781,499,816, of which \$73,000,000 was designated for defense support in the general area of the Near East, South Asia, and Africa, including Greece and Turkey, and \$115,000,000 for development assistance in the Near East and Africa, with an additional \$60,500,000 for South Asia.<sup>58</sup>

The current figures and estimates, however, should be placed in the perspective of the total of American assistance since 1941, in general, and more particularly since the end of the Second World War. Between 1941 and the end of fiscal year 1955 the total of American grants and credits was to reach some \$87,000,000,000,

while the gross total since July 1, 1945, has reached approximately \$49,600,000,000, with a net of some \$47,901,000,000. For the area of the Near East, South Asia, and Africa since 1941 the figure has reached almost \$4,000,000,000 gross, or about \$3,000,000,000 net. The net distribution of grants and credits between July 1, 1945, and September 30, 1954, was approximately as follows:

*Summary of Foreign Grants and Credits (1945-1954)*<sup>59</sup>

Greece.....	\$1, 235, 000, 000
Turkey.....	266, 000, 000
Egypt.....	11, 000, 000
Iran.....	124, 000, 000
Israel.....	333, 000, 000
Liberia.....	23, 000, 000
Saudi Arabia.....	15, 000, 000
India.....	275, 000, 000
Pakistan.....	103, 000, 000
Afghanistan.....	39, 500, 000
Near East and Africa (unspecified).....	123, 000, 000
Total.....	\$2, 547, 500, 000

Moreover, it may be noted that during the fiscal year 1954 funds programed under the mutual security program for the Near East, South Asia, and Africa reached \$840,900,000. Of this amount \$541,700,000 was allocated for military assistance, direct forces-support, and defense support, Greece and Turkey being the major recipients, while \$34,500,000 was included for defense support in Pakistan. For development assistance programs, \$208,600,000 was programed for this period, of which Afghanistan received \$1,500,000, India \$60,500,000, Iran \$71,500,000, Israel \$52,500,000, Jordan \$8,200,000, Lebanon \$6,000,000, Libya \$385,000, and the African overseas territories of Western Europe \$8,000,000. Of the remaining \$90,600,000, \$75,600,000 was programed for technical co-operation and \$15,000,000 for the Palestine refugee program.<sup>60</sup> The program for 1954-1955 allocated some 60 percent of its funds in South Asia and the Far East, about 30 percent being earmarked for economic and technical assistance in order to meet the Communist menace on the long-range testing ground of social and economic development. Among other things, it is noteworthy

that economic assistance to both Pakistan and Iran was sharply increased and that for the first time economic assistance over and above technical aid was extended to Arab States.

## **Some New Approaches to Regional Security**

In the light of Secretary Dulles' report of June 1, 1953,<sup>61</sup> following his visit to the Middle East, some new approaches were made to the problem of regional security in that area during 1954. Turkey, Iraq, and Pakistan were all elements in the new approach toward strengthening the area as a whole. In the end, it may be noted, Turkey and Pakistan signed an agreement for friendly co-operation, while the United States signed mutual defense assistance agreements with both Iraq and Pakistan.<sup>62</sup>

In an address to a joint session of the United States Congress on January 29, 1954, during his visit to the United States, President Celal Bayar of Turkey declared that the extension of American military and economic assistance to peace-loving countries had "no parallel in the history of the world, either in essence or in quantity," and he was convinced that the significance of this action would "be recorded in history as the most important event of the post World War II period."<sup>63</sup> President Bayar also pointed to the Turkish contributions to the strength of the free world, particularly in Korea, and noted its membership, together with Greece, in the North Atlantic Treaty Organization. It would be equally appropriate, he remarked,

to stress in this connection that in accordance with principles set forth in the charter of the United Nations, Turkey has sought to fill in the gaps existing in the peace front. The Tripartite Balkan Pact which was signed last year between Greece, Turkey, and Yugoslavia is clear evidence of how strong barriers can be set up by realistic and resolute states united in a sincere desire for peace. This pact has simultaneously set a new and fine example in the application of the rights and principles of self-defense for the preservation of peace as recognized by the charter of the United Nations and contributed to its consolidation.

On February 19, the United States warmly welcomed the announced intention of Turkey and Pakistan "to study methods of

achieving closer friendly collaboration in the political, economic, and cultural spheres as well as of strengthening peace and security in their own interest as also in that of all peace-loving nations." <sup>64</sup> It was felt that this "forward-looking step" would provide increased assurances that these and other nations would be able to maintain their independence, since no nation, standing alone, could "obtain adequate security at bearable cost." This principle had been accepted and applied throughout most of the free nations of Europe, North and South America, and the Western Pacific, and it seemed obvious that the projected pact between Turkey and Pakistan constituted "a constructive step toward the broadening of the base of the collective strength of the free world."

## U. S. MILITARY ASSISTANCE TO PAKISTAN

President Eisenhower indicated on February 22 that consideration was being given to the extension of military assistance to Pakistan.<sup>65</sup> In accordance with the President's report to Congress on June 30, 1953, in which he had stated that the United States should "strengthen the efforts towards regional political, military, and economic integration," the President was now complying with a request of the Government of Pakistan for military aid, subject to the negotiation of a military defense assistance agreement. The United States had been "gravely concerned" with "the weakness of defensive capabilities in the Middle East," and the President made it clear that the United States would be guided by the purposes and requirements of the mutual security legislation, which declared specifically that the equipment, materials, or services provided would be used "solely to maintain the recipient country's internal security and for its legitimate self defense, or to permit it to participate in the defense of the area" of which it was a part. Moreover, any recipient would also have to undertake that it would not "engage in any act of aggression against any other nation." These undertakings, it was thought, afforded "adequate assurance to all nations, regardless of their political orientation and whatever their international policies," that the arms which the United States provided would "in no way threaten their own security." If such aid were misused, the President would undertake immediately, in accordance with his constitutional authority, "appropri-



*On parade: Graduation ceremonies at the Pakistani Military Academy, which will provide part of strength behind the Manila Pact to prevent aggression in southern areas of Asia.*

ate action both within and without the UN to thwart such aggression" and would consult with the Congress concerning further steps. The President concluded:

The United States earnestly desires that there be increased stability and strength in the Middle East, as it has desired this same thing in other parts of the free world. It believes that the aspirations of the peoples in this area for maintaining and developing their way of life and for realizing the social advances close to their hearts will be best served by strength to deter aggression and to reduce the fear of aggression. The United States is prepared to help in this endeavor, if its help is wanted.

In view of Indian misgivings, the President also sent a letter to Prime Minister Pandit Jawaharlal Nehru on February 24, 1954,<sup>66</sup> since he wanted Mr. Nehru to know of the decision to extend military assistance to Pakistan before it became public knowledge. He also wanted him to know that the step did "not in any way affect the friendship we feel for India" and that the United States would "continually strive to strengthen the warm and enduring friendship between our two countries." The President told Mr. Nehru that he believed that Turkish-Pakistan consultation concerning security problems would "serve the interests not only of Pakistan and Turkey but also of the whole free world." Improvement of the defensive capability of Pakistan would also serve these interests. Nor was it in any way directed against India. If the assistance were misused and "directed against another in aggression," the President declared that, in accordance with his constitutional authority, he would take appropriate action immediately, both within and outside the United Nations, to thwart such aggression. But he believed that the Turkish-Pakistan agreement which was being discussed was "sound evidence of the defensive purposes" which both countries had in mind. The President also referred to Indian interest in the need for economic progress as a "prime requisite for stability and strength" and to American assistance to India, the continuation of which he was recommending. But he also believed that India should have a "strong military defense capability," and to emphasize that the assistance to Pakistan was not directed against India, the President said that he was prepared to give sympathetic consideration, if India desired assistance of a type contemplated under the mutual security legislation in the United States.

Turkey and Pakistan signed an agreement for friendly cooperation on April 2, reaffirming, among other things, their faith in the purposes and principles of the United Nations, and pledging that they would refrain from entering into any alliance or activities directed against the other and would not intervene in domestic matters.<sup>67</sup> They were to consult on international matters of mutual interest and develop their cooperation in the cultural, economic, and technical fields. Under article IV of the agreement, consultation and cooperation were to cover (1) exchange of information on technical matters; (2) endeavors to meet the requirements in

production of arms and ammunition; and (3) studies of the problem of the "cooperation which might be effected between them in accordance with article 51 of the Charter of the United Nations," in the event of an unprovoked armed attack. Each declared that none of its engagements then in force conflicted with the obligations of the new treaty and that no conflicting ones would be undertaken. There was also provision for accession to the treaty, which was to endure for a period of 5 years and, unless denounced, to remain in force for an additional 5-year period.

A few weeks later, on April 21, in response to an Iraqi request of March 1953, the United States and Iraq signed an agreement for American military assistance to strengthen Iraq's forces for the defense of its territory against possible aggression. Included in the understanding was a provision that assistance would be provided "subject to the provisions of applicable legislative authority" and "related in character, timing and amount to international developments in the area." In the State Department's announcement of April 26,<sup>68</sup> it was indicated that the President's statement of February 25 with regard to Pakistan gave "general background on the subject of United States policy with respect to U.S. military assistance to certain countries of the Near and Middle East."

Negotiations now moved forward quickly to the signature, on May 19, of the Mutual Defense Assistance Agreement with Pakistan.<sup>69</sup> Among other things, the new agreement contained an interesting preambular reference to article 51 of the United Nations Charter, in connection with fostering "international peace and security within the framework of the Charter of the United Nations" through measures which would "further the ability of nations dedicated to the purposes and principles of the Charter to participate effectively in arrangements for individual and collective self-defense in support of those purposes and principles." It also reaffirmed the determination of the two governments—

to give their full cooperation to the efforts to provide the United Nations with armed forces as contemplated by the Charter and to participate in United Nations collective defense arrangements and measures, and to obtain agreement on universal regulations and reduction of armaments under adequate guarantee against violation or evasion.

Under article I the parties agreed that the furnishing and use of assistance should be "consistent with the Charter of the United Nations" and that Pakistan would "use this assistance exclusively

to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area, or in United Nations collective security arrangements and measures" and would "not undertake any act of aggression against any other nation." Nor was it, without prior agreement with the United States, to devote American assistance to purposes other than those for which the assistance was furnished. Consistent with the United Nations Charter, Pakistan was to furnish the United States, or such other governments as the parties might agree upon, such equipment, materials, services, or other assistance, as might be agreed upon to increase their capacity for individual and collective self-defense, and "to facilitate their effective participation in the United Nations system of collective security."

Prime Minister Adnan Menderes of Turkey, during his visit to the United States in June, had occasion to place before the United States a clear statement of Turkish policy to act as a convinced and determined member of the North Atlantic Treaty Organization, to develop closer political and military bonds with other friendly nations in the free world, and to support "the mutual efforts of the United States and other free nations to organize for world security."<sup>70</sup> The official visit of the Turkish Prime Minister also provided an opportunity to discuss the heavy strain on Turkish resources and to survey the problem of further assistance. It was indicated that the United States intended to continue to base its program of military assistance on the concept of helping Turkey to meet its goals in the North Atlantic Treaty Organization. Subject to congressional action and a review of American commitments and priorities, the United States was disposed to increase its military defense program. It was also prepared "to accelerate deliveries of items in the present pipeline of roughly one-half billion dollars of military equipment presently appropriated and programmed for Turkey." In view of the Turkish situation, funds had been requested of Congress to permit the furnishing of economic assistance to Turkey during fiscal year 1955. It was announced on June 15 that an allotment of \$30 million had been made to provide the Turkish armed forces with jet fuel, lubricants, tires and batteries, and clothing.<sup>71</sup> The allotment was in addition to support already given in direct military assistance and to \$46 million previously allotted in defense support funds to bolster Turk-

ish defenses. The Foreign Operations Administration pointed to the economic development of Turkey since 1948, indicating that, together with the June 15 allotment, the United States had provided \$353 million in economic assistance, in addition to the millions in direct military assistance.

By the time of the visit of Prime Minister Mohammed Ali of Pakistan in Washington in October, Pakistan had not only signed its treaty with Turkey and its Mutual Defense Assistance Agreement with the United States but had also become a signatory to the Southeast Asia Collective Defense Treaty (September 8, 1954).<sup>72</sup> During the course of his visit, the United States and Pakistan reaffirmed "their common purpose in striving to assure peace and economic security to their peoples," expressing the conviction that these objectives can be attained "through measures of collective security, self-help and economic cooperation."<sup>73</sup> They also shared a conviction that these goals can be attained "only where fundamental spiritual values are permitted to flourish." During the Prime Minister's discussions with the President, Secretary Dulles, Secretary of Defense Wilson, and FOA Director Stassen, the special position of Pakistan in the Middle East and Southeast Asia was kept in mind. In the end it was agreed that the United States would make available to Pakistan during the fiscal year 1955 approximately \$105 million in additional economic assistance, part of it in the form of loans. Moreover, in view of the military defense agreement with Pakistan, the military assistance program was to be accelerated, although the United States could not make commitments beyond the limits of existing and current appropriations.

## **THE TRIPARTITE TREATY OF GREECE, TURKEY, AND YUGOSLAVIA**

The United States also observed with considerable interest the moves of Greece, Turkey, and Yugoslavia toward the consolidation of defense arrangements in the Balkan area, not only because of its concern for the security of this region, involving the Adriatic, the Aegean, the Turkish Straits, and the Eastern Mediterranean, but also because Greece and Turkey are active members of the North Atlantic Treaty Organization. Other members of NATO were interested in the problem, also, in view of possible implica-

tions with regard to their commitments. Moreover, Italy, which was still in controversy with Yugoslavia concerning the problem of Trieste, was especially concerned with the development of a new Balkan entente.

After negotiations which followed the initial treaty of February 28, 1953, the Treaty of Alliance, Political Cooperation, and Mutual Assistance was signed on August 9, 1954, at Bled, Yugoslavia.<sup>74</sup> Under it the parties reasserted "their fidelity to the principles of the United Nations Charter and their desire to contribute to the maintenance of international peace and security." They expressed their resolve "to insure, in the most efficacious manner, the territorial integrity and political independence of their countries," in accordance with the principles of the United Nations Charter.

The body of the treaty consisted of 14 articles. According to article 1, in conformity with the United Nations Charter, the parties committed themselves to settle all international disputes by peaceful means and to abstain from the threat or use of force in any way inconsistent with the aims of the United Nations. Article 2, which bore a close resemblance to the formula used in the North Atlantic Treaty, contained the essential security commitment undertaken by Greece, Turkey, and Yugoslavia:

The contracting parties have agreed that any armed aggression against one, or several of them, at any part of their territories, shall be considered as an aggression against all the contracting parties, which, in consequence, exercising the right of legitimate collective defense recognized by Article 51 of the United Nations Charter, shall individually in common accord and immediately take all measures, including the use of armed force, which they shall deem necessary for efficacious defense.<sup>75</sup>

Moreover, under the reservation of article 7, the parties were not to conclude peace or any other arrangement with an aggressor without prior agreement among themselves. To assure implementation of the treaty, the parties were to "extend each other mutual assistance in order to maintain and strengthen their defensive capacity."

Provision was also made in the treaty, under article 4, for the establishment of a Permanent Council of the Foreign Ministers and of other members of the Governments concerned, to be convened twice a year, or more often, if necessary. When not in ses-

sion, the Permanent Council was to exercise its functions through the Permanent Secretariat, which had been established under the treaty of February 28, 1953. Decisions of the Permanent Council, which replaced the Conference of Foreign Ministers, were to be unanimous. In the event of aggression, according to article 5, there was to be immediate consultation, and the Permanent Council was to meet urgently "to determine the measures which were to be undertaken," in addition to the measures taken under article 2 to meet the situation.

The parties were also to consult, under article 6, in the event of a "grave deterioration of the international situation," especially if it involved the security of Southeastern Europe. Conscious that an armed aggression "against a country other than themselves" could involve their own security either directly or indirectly, the parties agreed to

consult each other on the measures to be taken, in conformity with the aims of the United Nations, to meet the situation that would thus have been created in their area.

But it is interesting to note that, according to article 7, the United Nations Security Council was to be informed immediately of the aggression and of the defense measures taken, which were to be halted when the Security Council, under article 51 of the charter, had "taken the measures necessary to maintain international peace and security." Similarly, without delay, the parties were to make the declaration foreseen by the resolution of the General Assembly of the United Nations of November 17, 1950, on the duties of states in the event of the outbreak of hostilities and act in conformity therewith.<sup>76</sup>

The parties also reiterated their pledge against participating in any coalition directed against any one of them and against undertaking any commitments incompatible with the provisions of the tripartite treaty. The treaty (article 9) was not to affect the rights and obligations of the parties under the United Nations Charter, nor to be so interpreted. Similarly, it was not to affect the rights and obligations of Greece and Turkey under the North Atlantic Treaty Organization, nor to be so interpreted (article 10). Insofar as unaltered, the treaty of February 28, 1953, remained in force, and the alliance was to have the same duration. The treaty of alliance was concluded for a period of 20 years and, if not denounced 1 year

prior to expiry, was to be prolonged until denounced by one of the parties. It was to be ratified according to the constitutional procedures of the parties and to enter into force on the date of the last ratification.<sup>77</sup>

One of the important developments which followed the Greek-Turkish-Yugoslav agreement, although it was not inherently inter-related with it, was the initialing on October 5 of the Yugoslav-Italian agreement settling the complex problem of Trieste.<sup>78</sup> The United States was very much interested in this settlement both for its encouragement of more friendly Italo-Yugoslav relations and for its contribution to the defense of the area. Both Greece and Turkey, not to mention others, meanwhile, considered the new Balkan Pact as an important contribution to the defense of the Eastern Mediterranean and the periphery of the Near and Middle East, based upon a realistic consideration of the essential security interests of the three participants.

## **U.S. Technical and Economic Assistance Programs**

There was continued recognition in 1954 of the importance of technical and economic assistance, especially in underdeveloped areas. While the basic agreements for technical cooperation between the United States and the countries of the Near East, South Asia, and Africa were reached during the period of 1950-1951, there have been many specific agreements since that time.

In an address of May 24, 1954, Mr. Stassen noted that there were more than 1,800 American technicians serving in 42 countries, and that it was hoped that there would be no less than 2,500 by the end of 1954. Thirty-five contracts had been signed with American universities and colleges, and agreements had been reached with 113 professional societies and commercial organizations to provide specific technical services abroad.<sup>79</sup>

A few examples may serve as illustrations of the kinds of projects carried out during 1953-1954.

## GREECE, TURKEY, AND IRAN

Since 1947, Greece and Turkey have been the subject of special assistance programs designed to strengthen their defensive positions and preserve their territorial integrity and political independence along the northern ramparts of the Near and Middle East.

Thanks to American economic assistance and to the efforts of the Greek people themselves, Greek industrial production had risen by 1954 some 66 percent above prewar levels, while agricultural output was up 42 percent. Greek development projects receiving U. S. financial assistance in 1954 included an integrated national electric power system, improvements in land and water resources, an industrial loan program of \$80 million, and projects involving mines, highways, railroads, education, and health. During the first part of the year a major unit of the power system was put into operation and the entire system was to be completed by the end of 1954. Defense support funds to Greece were reduced from \$179 million in 1952 to \$21 million in 1954.<sup>80</sup>

The program in Turkey looked toward the development of domestic industries, either to expand exports or to produce more commodities for home consumption. The basic problem since 1947 has been the question of supporting the Turkish defense forces—the requirements of which have exceeded Turkey's resources—and of proceeding simultaneously with the expansion of the economic base. During the first half of the year 1954, \$46 million was made available for defense support projects, the funds being used essentially to finance procurement of equipment to increase hydroelectric power in industrial areas, develop the highway system, and improve grain storage and handling facilities. Steps were also taken to provide equipment for both agricultural and mining development, and for the development of manufacturing.<sup>81</sup>

The United States has also had significant technical assistance programs in operation in Iran. U. S. emergency economic assistance amounted to \$45,000,000 during the latter part of 1953, and an additional \$15,500,000 was provided in the first half of 1954 to maintain the flow of essential imports. The technical cooperation and development assistance programs were intended to remedy basic weaknesses in the economic and social structure of Iran. Thus, during the 12-month period ending June 30, 1954, \$24,000,000

was obligated to 48 projects in health, agriculture, education, industry, communications, and public education, with the full participation of the Iranian Government, which has provided the equivalent of more than \$18,000,000 since 1952 for joint projects in technical cooperation. Five American universities, moreover, were cooperating, under the Foreign Operations Administration, in projects for agricultural development and education.<sup>82</sup>

The United States announced on November 2 that, since it would be 3 years before Iran's oil revenues would again enable it to finance large-scale development, the United States was ready to assist with loans and grants totaling \$127,300,000 from the Export-Import Bank and the Foreign Operations Administration. The total included \$21,500,000 for technical assistance, \$52,800,000 for consumer-goods imports, and \$53,000,000 for short-term developmental assistance.<sup>83</sup>

## THE NEAR AND MIDDLE EAST

Israel received large-scale private and official assistance from the United States during the period of 1953-1954. The mutual security program in Israel shifted from emergency supply to basic development projects, grant funds having been gradually reduced. Thus, about 20 percent of Israel's imports were financed by United States grants during the fiscal year 1954 as compared with 35 percent in 1953. More than \$32,000,000 of the \$52,500,000 made available to Israel in the fiscal year 1954 was used to finance imports of food, fuel, fertilizer, raw materials, and agricultural and industrial machinery, the remainder being devoted essentially to projects in agriculture, industry, and mining. Most of the \$1,500,000 in technical cooperation funds was used for projects in agriculture and natural resources.<sup>84</sup>

The Foreign Operations Administration announced on May 26, 1954, that an emergency shipment of six tons of garden seed was to be sent via air to Iraq on May 27.<sup>85</sup> The March rains had brought the worst floods in the Tigris River valley in almost 50 years, and this was the first installment of a 25-ton shipment to assist farmers whose spring plantings were washed away. It was estimated that some 3 million acres had been flooded and some

500,000 people displaced or rendered homeless, with property damage reaching approximately \$80 million.

Meanwhile, plans were being made by the Iraq Development Board to provide water by 1961 for 1,000,000 acres of new land, and supplemental water for another 1,000,000 acres now under cultivation. The Board was established in 1950 to implement development programs financed largely by Iraqi oil revenues. The American representative on the Board, and American technical experts, have assisted in planning dams, irrigation systems, hydroelectric plants, and flood-control works. Some 50 Iraqi "county agents" are already working in the field, under American supervisors, and a more extensive training program has been established.<sup>86</sup>

In Jordan, the first basic grant economic assistance agreement between the United States and an Arab State was signed at Amman on May 13,<sup>87</sup> complementing the general technical assistance agreement of February 1951. The agreement provided for American contributions to capital development projects, those under consideration being in the general fields of irrigation, exploration and utilization of ground water, afforestation, and road construction. On June 28 the Foreign Operations Administration announced allotment of \$8 million in support of Jordan's program for better roads, more water, improved crops and livestock, and restoration of forest lands.<sup>88</sup> About one-half of this American assistance was to be in the form of raw and processed agricultural commodities to be sold in Jordan for local currencies that would help finance the development projects. The rest was to cover the costs of engineering and technical services and imported equipment.

Meanwhile, in cooperation with American specialists, the Jordanian Government had established 250 acres as demonstration plots for some 42 varieties of grasses and vegetables. About 5,000 acres of land had been rendered productive through water-spreading techniques, some 3,000 acres having been seeded to grass, grain, and forage crops.

Egypt, another large beneficiary of American assistance, had been allotted some \$13,000,000 in technical assistance during fiscal year 1953 for a program devoted essentially to agricultural projects. On July 22, 1954, the Foreign Operations Administration announced a new demonstration project of the Egypt-American Rural Improvement Service, designed to reclaim some thousands of acres in the Fayum Province for the settlement of landless

families.<sup>80</sup> It was estimated that 2,000 families would be settled on 13,000 acres in the Qoota area. Among other things, existing irrigation works were to be improved, and new drains, pumping stations, and canals constructed, with the United States contributing \$230,440 to the total cost of \$576,100, and the Egyptian Government the equivalent of \$345,600.

Technical assistance to Lebanon was continued. Among the projects was one for irrigation in the Kasmie area.<sup>80</sup> The major portion of the project, for the irrigation of 12,000 acres, is being undertaken by Lebanon, with American technicians assisting in canal construction. During the first part of 1954 an American-financed survey of the Litani River was completed and final reports prepared. It was estimated that development of the Litani River would generate some 168,000 kilowatts of electric power, supply 100 villages with water, and irrigate more than 50,000 acres of land.

In addition to technical assistance, a program of economic aid was inaugurated in Lebanon during 1954. The U.S. contribution is \$6 million and the projects are in the fields of agricultural production, road construction, and village water supply.

On the other hand, it was announced on October 17 that the United States had closed its foreign aid mission in Saudi Arabia at the request of the Saudi Arabian Government. The United States had had a 30-member mission in Saudi Arabia, beginning operations in 1952 with a \$2 million annual program designed as a planning and operating program. The planning stage had been fairly well completed. With an estimated income of some \$200 million per annum, the Saudi Arabian Government indicated that it could finance its own technical assistance.

But the United States was also concerned with the broader, regional approach to economic problems in the Near East, and it continued its interest in the development of the hydroelectric and water resources of the Jordan River Valley. Ambassador Eric Johnston, who had received comments from Israel and the Arab States on the program for Jordan Valley development which he had submitted in November 1953, conferred once more on the problem in Cairo and Tel Aviv in June 1954.<sup>81</sup> The development program envisaged the construction of an integrated system of engineering works designed to irrigate approximately 250,000 acres of land and develop more than 60,000 kilowatts of electricity. Among the peoples benefiting from such a system would be a substantial number

of the Arab refugees from Palestine who had been on relief since the end of the Palestine conflict in 1948.

Returning from his survey, Ambassador Johnston informed President Eisenhower and Secretary Dulles on July 6 that Jordan, Lebanon, Syria, and Israel had accepted the "principle" of international sharing of the Jordan waters and were "prepared to co-operate" with the United States "in working out details of a mutually acceptable program for developing the irrigation and power potentials of the river system."<sup>82</sup> After a 4-week visit to the Middle East, he declared that the attitudes of these states "clearly indicated a desire to evolve a workable plan for economic development of the Jordan Valley despite the difficult political issues outstanding between Israel and the Arab countries," and he was encouraged to believe that an early understanding concerning the program was "now a possibility."

The plan embodied acceptance of the following principles by Israel and the Arab States concerned:

1. Equitable sharing of the limited waters of the Jordan River system by the four states;
2. Establishment of a neutral, impartial authority to supervise withdrawals of water from the river system in accordance with the division ultimately accepted by all parties;
3. Amelioration of the condition of the Arab refugees from Palestine as a principal objective of the Jordan Valley irrigation program;
4. Achievement of an understanding concerning the total program, at the earliest possible time, both in the interest of the Arab refugees and in the interest of economic progress and stability in the area;
5. Open-minded consideration of the storage of irrigation waters in Lake Tiberias (Sea of Galilee), when progress in developing the valley indicated the necessity of using the lake as a primary reservoir.

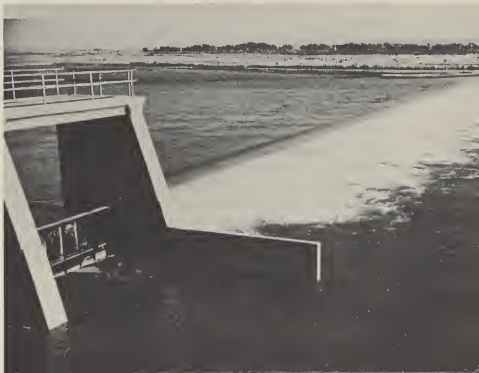
But while these principles formed a "solid basis" for further discussions, Mr. Johnston reported that there were specific points on which differences would have to be reconciled before the valley project could be realized. All concerned had requested that "the Government of the United States continue to exercise its good offices in reconciling these outstanding differences."

## SOUTH ASIA

In a modest program in Afghanistan, involving some \$1,500,000, emphasis was placed on technical assistance in the development and settlement of the Helmand River Valley. In addition to its regular program, however, on March 20 the United States agreed to sell, under section 550 of the Mutual Security Act, 12,000 tons of wheat or flour to Afghanistan for Afghan currency to help meet a threatened food shortage.<sup>93</sup> The Foreign Operations Administration was to administer the program, and Afghan funds received in payment were to be used for assistance in the economic development of the country.

On May 4, the Export-Import Bank of Washington announced authorization of a loan of \$18,500,000 to Afghanistan to assist in financing purchase of materials, equipment, and services in the United States for the Helmand River Valley development project and for reorganizing and training an Afghan road maintenance unit.<sup>94</sup> The new loan was the second made by the bank to Afghanistan in connection with the Helmand River project, which

*Waterworks for Afghanistan—part of program to increase Afghan agricultural productive capacity by developing more than 700,000 acres of new and improved land.*



was designed to benefit about one-fourth the area of Afghanistan and about one-sixth of its 12,000,000 people. An earlier loan (1949) of \$21,000,000 was to assist in purchasing equipment and services in the United States for the building of the Kajkai Dam, the Arghandab Dam, and the Boghra Canal system by the Morrison Knudsen Afghanistan Co., Inc., which established primary storage regulation of the two major rivers in the Helmand Valley. The current stage of the development, involving an estimated cost of \$27,000,000, provides for a 3-year development program, including hydroelectric installations, primary and lateral canals, and drainage, and is correlated with the program for agricultural development under the Afghan Helmand Valley Authority, with technical assistance from the Foreign Operations Administration.

All told, it was estimated that these developments would result progressively in an increase in Afghan agricultural productive capacity of more than 700,000 acres of new and improved land.

In Nepal the primary stress was placed on agricultural and community development, improved techniques and better seeds being Nepal's principal agricultural needs.<sup>95</sup> Small irrigation projects have been undertaken, with the construction of 10 deep irrigation wells. Through the program for community development, training and demonstration in public health and sanitation have been brought to many villages. Malaria control teams have eliminated malaria, the greatest health problem, in a number of areas in Nepal which are potentially productive but have not previously been habitable.

On September 27, 1954, the Foreign Operations Administration announced a relief program for Nepal, where floods and an earthquake had rendered more than 132,000 people homeless and left 1,000 dead.<sup>96</sup> Dr. Alexander Langmuir, chief of the epidemic control programs of the U. S. Public Health Service, was sent to Nepal, air reconnaissance of the affected area was authorized, and some \$75,000 was spent for the purchase of vaccines and antibiotics.

The United States has engaged in significant programs of both technical and economic assistance in Pakistan. Since the program began in early 1952, priority has been given to agricultural production. Because of crop failures in 1951-1952 and the threat of famine in 1953, the U. S. Congress provided in the spring of 1953 for the shipment of some 700,000 tons (26 million bushels) of wheat to

Pakistan on a grant basis, with an additional 300,000 tons to be made available on a grant, loan, or purchase basis, depending on the situation. The arrival of the S.S. *Rempang* at Chittagong on May 20, 1954, brought American wheat deliveries to 610,976 tons, involving a total of 94 voyages and including 56 vessels under the United States flag.<sup>97</sup>

The Pakistan Government announced on April 27 that since the special program had achieved its purpose, no further wheat deliveries were needed under the program. A significant portion of the wheat was distributed free to the most needy, the balance having reached the market through the normal distribution channels. From the sale of the wheat, the Pakistan Government expected to realize \$50 million in rupees to be earmarked for mutually agreed projects necessary to the development of Pakistan, with stress on projects to guard against the recurrence of famine.

Although primary stress in the American program in Pakistan remained in the realm of food production, about two-thirds of the funds for fiscal year 1954 being devoted to agriculture, serious attention was also given to industry. American technicians completed a survey of railway signal practices and assisted in planning a diesel engine school. Engineering assistance was provided for a large fertilizer factory to be completed in 1956, while a road-building demonstration and training project was established in East Pakistan. Technical guidance was also provided in inventory, accounting, handling of materials, and safety standards.<sup>98</sup>

On June 24 Director Stassen, of the Foreign Operations Administration, signed two comprehensive contracts with American colleges, linking Washington State College with the University of Punjab (West Pakistan) and Texas Agricultural and Mechanical College with the University of Dacca (East Pakistan). The colleges were to undertake a 3-year program in engineering, education, agriculture, business administration, and home economics. Under the contracts, involving some \$3 million, the American institutions agreed to send university teams overseas to remain in residence at the foreign institutions and to provide special consultants for brief periods. These particular staffs were to total some 40 college representatives. In turn, the foreign institutions were to send key faculty members and graduate students to study at their "sister institutions" in the United States.<sup>99</sup>

As a matter of additional emergency assistance, on August 14 President Eisenhower approved assistance to flood victims in Pakistan, and the Secretary of State was directed to conclude the necessary bilateral agreement with Pakistan to implement the assistance.<sup>100</sup> Two United States Air Force transport planes left the United States on August 13 for Dacca with a cargo of 55,000–60,000 pounds of medical supplies for victims in Pakistan, and 40 two-man teams of Army Medical corpsmen from the Far East Command were sent from bases in Japan, with supporting personnel and equipment. In addition, the U.S. Public Health Service sent the chief of its epidemic control programs, Dr. Langmuir, and a six-man team of experts.

It was in the joint communique issued on October 21, at the conclusion of Prime Minister Mohammed Ali's visit in Washington, that the United States announced its intention to make \$105 million available to Pakistan during the current fiscal year in economic assistance, part of it in the form of loans, to include funds for technical assistance, flood relief, and development purposes—a substantial amount in agricultural commodities.<sup>101</sup>

When Ambassador George V. Allen appeared before the House of Representatives Committee on Foreign Affairs on May 4, 1954, particularly to support the proposal for continued technical and economic assistance to India as recommended by President Eisenhower, he noted that there had been much discussion concerning the Indian attitude toward the United States and some questioning as to the continuance of the program.<sup>102</sup> Ambassador Allen pointed out that Indian leaders desired American assistance and that he believed past aid had been used effectively. Indians were well aware of what the United States had been doing in their country, he said. Mr. Allen continued:

Americans today are advising in the various Ministries in New Delhi and throughout India. They have established personal relationships of a very friendly character, and their work is being made more immediately effective because of the economic aid which is supporting their technical advice. They are working with Indian experts and technicians in bringing to the Indian people some realization of the people's hope and demand for economic improvement. In my opinion, it is in the national interests of the United States to continue our aid in a manner so that its effectiveness will not be impaired.

Mr. Allen went on to point out that the Indian people and their leaders believed in "a democratic form of government" and were "trying to make economic progress through democratic institutions," in "sharp contrast to autocratic, dictatorial, Communist methods." It would be tragic, he thought, "if their present confidence in democratic methods should fail and they thereby would abandon hope for the future under a democratic form of government." The Ambassador said:

I am keenly aware of the differences of opinion and policies between India and ourselves. The foreign policies of the Government of India and of the United States are frequently divergent. But we should keep in mind that democracy and freedom of opinion go hand in hand and that freedom must accept diversity of views. It is my belief that an independent India is a source of strength to the free world.

Mr. Allen concluded that it was "wise to continue a substantial program" and that the results of such action would be "beneficial to both India and ourselves."

As already noted, funds programed during fiscal year 1954 included \$60,500,000 in economic assistance and some \$20,000,000 in technical assistance for India. During the first 6 months of 1954 several project agreements were signed and virtually all available funds were obligated. To support the Indian plan for increasing irrigated land by 15,000,000 acres within 5 years, a project to construct 2,650 deep irrigation wells was undertaken in 1952, and by the spring of 1954 some 900 wells had been drilled. It was estimated that, when it was completed, about 1,000,000 acres would be added to the irrigated area, while other projects were to irrigate 5,000,000 additional acres and add about 4,000,000 tons to the annual production of grain. Already more than 130,000 additional acres have been brought under irrigation, and more than 60,000 acres reclaimed. Improved strains of cattle have also been introduced, and more than 1,000,000 cattle inoculated and vaccinated.

Partly to counter increasing urban unemployment, India devoted more effort during 1954 to transportation, power, and industry. The United States undertook to supply 100 locomotives and 5,000 freight cars to help put Indian railways in condition to meet the issues of an expanding economy. Progress was also made in the creation of a private industrial development corporation—the Indian Credit and Investment Corporation—to which the In-



*The three R's in India—children at one of thousands of new schools opened under India's Community Projects program, to which FOA gives major assistance.*

dian Government was to make available funds, derived from the sale of steel furnished under the American program. Private investors, primarily Indian, were believed to be ready to invest about \$10 million, and the International Bank for Reconstruction and Development planned to lend \$10 million. The corporation was to provide financing and technical and managerial assistance to promote the growth of private industry in India.

There were other features of the program, including the Indian National Service Extension projects, which reached some 47 million people in 71,000 villages by 1954, and in which American technicians played a significant role.<sup>103</sup> Nearly 1,500 local schools were started and 3,700 adult education centers opened, with 34 extension training centers in operation for the training of local village workers. Moreover, the malaria control program was further expanded to cover about 125 million Indians, while a village and community sanitation program was scheduled to be carried out within 2 years to improve drinking water sources and sanitation conditions in 10,000 villages and 25 urban centers.

## AFRICA

The major stress of the program of assistance in Ethiopia was on the development of agriculture, essentially through training in modern techniques, largely by the Oklahoma Agricultural and Mechanical College, of Stillwater, Okla., under a 3-year contract with the Foreign Operations Administration.<sup>104</sup> Ground was broken early in 1954 for the building of the Imperial Ethiopian College of Agriculture and Mechanical Arts, to be operated by Oklahoma A and M College and directed by an American president. A health clinic and training center were to be established at Gondar. Moreover, some 58 new capital investments from foreign sources, totaling about \$130 million were either made or under consideration as a result of the activities of the Foreign Operations Administration mission in Ethiopia.

The program in Liberia was designed to teach Liberians how to develop the resources of their country.<sup>105</sup> Agricultural projects had priority, and the primary accomplishment was the establishment of a research center at Smakoko. Public health activities were extended to the Bonni Hills area, a region being developed for iron ore deposits. For a project in education, a contract was being negotiated with Prairie View College, an associate of the Texas Agricultural and Mechanical College.

The modest program in Libya concentrated on problems of agriculture, health, and education. Since some 90 percent of Libyan school children appeared to be afflicted with trachoma, treatments were continued in schools and clinics and attention was given to teaching elementary sanitation in schools and teacher-training institutions. On the basis of soil and water resources data developed by Americans, new areas have been opened for irrigation demonstrations. Americans have also demonstrated more efficient methods of wool shearing, washing, and grading, and olive pruning.

On June 19, 1954, Henry S. Villard, the American Minister to Libya, presented a check for \$1 million to Prime Minister Ben Halim, in Tripoli, for economic development in Libya.<sup>106</sup> In an exchange of letters on that day, Mr. Villard stressed the continuing American interest in the development of Libyan economy. A few days later, on June 25, it was announced that the United States had approved a gift to Libya of 6,000 tons of wheat, in response

to an appeal for assistance in meeting grain shortages resulting from continued droughts.

On September 9, at Benghazi, the United States signed a base agreement with Libya as "an important contribution to the defense of the free world" and in a separate exchange of notes undertook to assist Libya with its economic development program.<sup>107</sup> The



*The United Nations at work at Ethiopia. Here an FAO expert demonstrates a modern scythe to Ethiopian farmers.*

base rights agreement provided for long-term operation of the Wheelus Air Force base near Tripoli. It went into force on October 30, following ratification by the Libyan Parliament and King. Under the economic aid agreement the United States undertook to provide in the current fiscal year \$7 million in development assistance and 24,000 tons of grain for relief in drought areas. Subject to congressional appropriations, the United States will in the next 6 years provide Libya \$4 million annually for economic development and thereafter for the next 11 years \$1 million annually.

The two countries have also agreed to raise their respective legations to the rank of embassies.

Acting Secretary of State Walter Bedell Smith characterized these agreements as ones which would "strengthen the ties of amity which bind together the people of the two countries." General Smith noted both American support of the United Nations proposal leading up to Libyan independence in 1951 and of subsequent membership in the United Nations and its contributions in technical and economic assistance to enable Libya to rest on firm economic foundations. The United States, he said, would continue its "sympathetic interest" in Libya's economic progress and would cooperate with the Libyan Government in considering measures required toward this end.

## **Export-Import Bank Loans**

Even before the inauguration of the programs for technical and economic assistance, the Export-Import Bank of Washington had authorized a number of loans in the Near East, South Asia, and Africa for the economic development of countries in that general area. By July 1954, these loans were substantially as indicated in the table on page 71.

## **U. S. Support for U. N. Programs of Assistance**

The United States, of course, continued to support the various U.N. programs of technical assistance during 1954. On May 11, Ambassador Lodge gave a check for \$1,645,812 to the United Nations Expanded Technical Assistance Program to complete the U.S. contribution for 1953.<sup>108</sup> In a statement on that occasion Mr. Lodge noted that the President's Commission on Foreign Economic Policy, the Randall Commission, had urged strengthening and expansion of United Nations technical assistance. He also mentioned the significance of the program in the long-range strengthening of the free world in such countries as Pakistan,

Afghanistan, and Libya in projects in land reclamation, irrigation, and hydroelectric development.

While the United States was unable to announce its precise contribution to the United Nations program for 1955, Ambassador Lodge advised Dr. V. A. Hamdani, Chairman of the Negotiating Committee, Extra-Budgetary Funds, on November 1<sup>100</sup> that the President was prepared to request from the Congress funds for an American contribution to the program for 1955. He added:

Since the inception of the United Nations Expanded Program of Technical Assistance, the United States has given it strong support. For the first three years of the program the United States contributed a total of \$36,000,000, or approximately 60 percent of all funds pledged, to the central fund. For 1954 the dollar amount of our pledge increased to \$13,861,809, although our percentage share of the central fund was reduced to approximately 57 per cent. The full amount of the U.S. pledge for calendar year 1954 has been appropriated by the U.S. Congress and is available for contribution to the program.

The United States recognizes the importance of technical assistance in promoting the economic development of the underdeveloped countries and has been providing technical assistance bilaterally as well as supporting the UN technical assistance program. It has also contributed generously to the other special UN programs which are aimed directly or indirectly at economic development or at alleviation of economic distress.<sup>110</sup>

The United States has also contributed generously to other United Nations agencies which have rendered basic assistance to underdeveloped areas, such as the Food and Agriculture Organization (FAO), the World Health Organization (WHO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the Children's Fund (UNICEF). Almost nine-tenths of the assistance given by UNICEF to underdeveloped countries since 1950 has been allocated to Africa, Asia, the Eastern Mediterranean region, and Latin America. During 1954 it was proposed to give 44 percent of UNICEF aid to Asia, 15 percent to Africa, and about 14 percent to the Eastern Mediterranean area. On January 13, 1955, Ambassador Lodge presented a check for \$7,773,550 as a partial contribution to UNICEF's 1954 program, with an indication that further payments would be dependent upon matching contributions from other governments.<sup>111</sup>

While the United States was also interested in the projects for an international finance corporation and the special United Nations

fund for economic development,<sup>112</sup> it was a heavy contributor to the capital of the International Bank for Reconstruction and Development, which has assisted in financing a large number of development projects. By June 30, 1954, out of an authorized capital of \$10,000,000,000, the subscribed capital had reached \$9,148,500,000. The United States had subscribed \$635,000,000 with 31,750 shares in the amount of \$3,175,000,000. The total of effective loans outstanding held by the bank amounted to \$1,663,000,000. Among loans in the Near East, South Asia, and Africa were those listed in the accompanying table.

That the United States continued to look upon the problems of stability and security in the Near East, South Asia, and Africa from a broad point of view was indicated by a number of developments toward the close of 1954. In a news conference on December 7, Secretary Dulles indicated that while "a very high emphasis upon the military" was necessary until there was "greater confidence in the world," the present phase of the struggle "between the world of Communist despotism and the free nations" had "shifted to

*A portable public health clinic in Liberia, where an FOA doctor and nurse call regularly.*



some extent, for the time being perhaps, more to economic competition" and that there was less fear than there had been of "open military activities." More thought, therefore, was needed on "this phase of the problem" than had been the case "when the primary emphasis was placed upon the military."<sup>113</sup>

Secretary Dulles declared on December 21 that, "in the Middle East, the northern tier concept" was "taking form under the leadership of Turkey and Pakistan."<sup>114</sup>

In his State of the Union Message to the Congress on January 6, 1955, President Eisenhower noted a number of positive developments in the Middle East and the Eastern Mediterranean:<sup>115</sup>

Recent agreements between Turkey and Pakistan have laid a foundation for increased strength in the Middle East. With our understanding support, Egypt and Britain, Yugoslavia and Italy, Britain and Iran have resolved dangerous differences. The security of the Mediterranean has been enhanced by an alliance among Greece, Turkey, and Yugoslavia.

But the President added that the "military threat" was "but one menace to our freedom and security" and that the free nations "must maintain and reinforce their cohesion, their internal security, their political and economic vitality, and their faith in freedom."

The President's Budget Message of January 17, which called for an expenditure of some \$4,300,000,000 on mutual assistance programs, gave appropriate stress to military assistance but pointed out that the national interest required "direct assistance to certain less developed countries where a rate of economic progress which would be impossible without such assistance is essential to their becoming and remaining strong and healthy members of the community of free nations capable of resisting Communist penetration and subversion."<sup>116</sup>

## FOOTNOTES AND TABLES

<sup>1</sup> For background, see Harry N. Howard, "The Development of United States Policy in the Near East, 1945-1951," *BULLETIN* of Nov. 19, 1951, p. 809, and Nov. 26, 1951, p. 839 (also available as Department of State publication 4446); "The Development of United States Policy in the Near East, South Asia, and Africa, 1951-1952," *ibid.*, Dec. 8, 1952, p. 891, and Dec. 15, 1952, p. 936 (also available as Department of State publication 4851); and "The Development of United States Policy in the Near East, South Asia, and Africa During 1953," *ibid.*, Feb. 22, 1954, p. 274, Mar. 1, 1954, p. 328, and Mar. 8, 1954, p. 365.

<sup>2</sup> U.N. doc. A/2663, *Annual Report of the Secretary-General on the Work of the Organization, 1 July 1953-30 June 1954* (1954), p. xiii.

<sup>3</sup> For a letter from Secretary Dulles to Mr. Hoover and a message from the Secretary to Ambassador Henderson, see *BULLETIN* of Aug. 16, 1954, p. 232. In a statement in the House of Commons on Nov. 2, 1954, Foreign Secretary Anthony Eden declared that a settlement could not have been reached without American help, particularly U.S. financial assistance to the Iranian Government after August 1953. For text, see British Information Services, Official Text, T. 45.

<sup>4</sup> *BULLETIN*, Aug. 16, 1954, p. 232. There were to be eight companies in the Consortium: the Gulf Oil Corporation, Socony Vacuum Oil Company, Standard Oil Company of New Jersey, Standard Oil Company of California, the Texas Company, the Anglo-Iranian Oil Company, Compagnie Française de Pétroles, and the Royal Dutch/Shell Company.

<sup>5</sup> *Ibid.*, p. 232. See also the statement of Howard Page, Standard Oil Company of New Jersey, who served as chairman of the International Consortium. On the current oil situation in the Middle East and Iran, in particular, see U.N. doc. E/2581, ST/ECA/25, *Summary of Recent Economic Developments in the Middle East, 1952-53: Supplement to World Economic Report* (1954), chapter 2. Iran produced 32,259,000 metric tons of oil in 1950; its reserves were estimated in 1953 at 1,722,300,000 metric tons.

<sup>6</sup> *BULLETIN* of Aug. 23, 1954, pp. 266-267.

<sup>7</sup> The Anglo-Iranian Oil Company announced on Oct. 29 that it was to receive more than \$600 million from the seven other oil companies in the Consortium which was to exploit the oil wealth of Iran.

<sup>8</sup> *Ibid.*, Nov. 8, 1954, p. 683. See also *ibid.*, Dec. 27, 1954, p. 985, for the Department's announcement of Dec. 7 concerning arrangements for production and sale of Iranian oil.

<sup>9</sup> *Ibid.*, Aug. 9, 1954, p. 198.

<sup>10</sup> *Ibid.*, Aug. 16, 1954, p. 234.

<sup>11</sup> *Ibid.*, Nov. 15, 1954, p. 734.

<sup>12</sup> *Ibid.* It is a matter, perhaps, of some historic interest in this connection that the original Suez Canal Concession was granted to Ferdinand de Lesseps by the Khedive Mohammed Said on Nov. 30, 1854—almost precisely a century before an Egyptian Government came into control of the base.

<sup>13</sup> For a brief review see "Cyprus: New Issue, Old Land," *United Nations Review*, vol. I (Dec. 1954), pp. 44-51.

<sup>14</sup> For the Kyou statement of Sept. 21, 1953, see U.N. doc. A/PV.439, pp. 65-71, especially paragraph 18. See also the remarks of Ambassador Athanase G. Politis, Nov. 11, 1952, in U.N. doc. A/PV.393, pp. 211-14, and those of Dimitrios Lambros in Committee III on Nov. 24, 1952, and the reply of Adil Derinsu (Turkey) in U.N. doc. A/C.3/SR.454, pp. 220-21, 223.

<sup>15</sup> The request was filed under rule 14 of the Rules of Procedure, and the item entitled: "Application, under the auspices of the United Nations, of the principle of equal rights and self-determination of peoples in the case of the population of the Island of Cyprus."

<sup>16</sup> For the Greek position see Press and Information Department, Prime Minister's Office, *Documents and Press Comments on the Cyprus Question* (Athens, 1954), 157 pp. Prime Minister Alexander Papagos' letter, dated Aug. 16, 1954, is on pp. 150-57.

<sup>17</sup> British Information Services, No. 408/3, Aug. 19, 1954; No. 408/4, Aug. 27, 1954.

<sup>18</sup> The Turkish Government adopted a position almost identical with that of the United Kingdom as to domestic jurisdiction under article 2 (7) of the charter and noted the presence of a sizable Turkish-speaking minority on the Island.

<sup>19</sup> U.N. docs. A/BUR/SR.93; A/2703.

<sup>20</sup> Burma, China, Cuba, Czechoslovakia, Ecuador, Iceland, Syria, Thailand, and the Soviet Union voted in favor; Australia, France, and the United Kingdom opposed. The United States, which made no comment during the discussion, abstained with Colombia and the President.

<sup>21</sup> U.N. doc. A/PV.477.

<sup>22</sup> The vote was as follows: *In favor* (30): Afghanistan, Burma, Byelorussia, China, Costa Rica, Cuba, Czechoslovakia, Ecuador, Egypt, El Salvador, Greece, Guatemala, Haiti, Honduras, Iceland, Indonesia, Israel, Lebanon, Mexico, Nicaragua, Philippines, Poland, Saudi Arabia, Syria, Thailand, Ukraine, U.S.S.R., Uruguay, Yemen, Yugoslavia; *against* (19): Australia, Belgium, Canada, Chile, Colombia, Denmark, Dominican Republic, France, Liberia, Luxembourg, Netherlands, New Zealand, Norway, Paraguay, Peru, Sweden, Turkey, Union of South Africa, United Kingdom; *abstentions* (11): Argentina, Bolivia, Brazil, Ethiopia, India, Iran, Iraq, Pakistan, Panama, United States, Venezuela.

<sup>23</sup> U.N. doc. A/PV.484, pp. 137-39.

<sup>24</sup> BULLETIN of Jan. 3, 1954, p. 31.

<sup>25</sup> U.N. doc. A/C.1/SR.750; verbatim text supplied by the Greek delegation.

<sup>26</sup> U.N. doc. A/C.1/SR.750; verbatim text supplied by the Turkish delegation.

<sup>27</sup> U.N. docs. A/C.1/SR.751; A/C.1/L.126, 127; A/C.1/764.

<sup>28</sup> See U.N. docs. A/2881; A/PV.514. Priority was given to the New Zealand proposal by a vote of 28 to 15, with 16 abstentions. The abstentions

on the final vote were: Australia, Byelorussia, Chile, Czechoslovakia, Poland, Ukraine, Union of South Africa and U.S.S.R.

It was interesting to observe that, despite their differences on the matter, the United States, the United Kingdom, Turkey, and Greece supported the resolution, while the Soviet bloc, among others, abstained. Equally interesting was the fact that, while the United Kingdom representative, Mr. Nutting, considered the vote a victory for "common sense" and repeated his view that, legal considerations aside, a full-dress debate could have done serious damage to relations among nations of the free world, Ambassador Kyrrou believed an airing of the problem "a most welcome development" and indicated that, if the "renewed confidence" failed to elicit a response from the United Kingdom, the problem would come again before the United Nations.

<sup>29</sup> U.N. doc. A/2663, *Annual Report of the Secretary-General on the Work of the Organization*, 1 July 1953-30 June 1954, p. xii.

<sup>30</sup> BULLETIN of Apr. 26, 1954, p. 628.

<sup>31</sup> *Ibid.*, May 10, 1954, p. 708.

<sup>32</sup> *Ibid.*, June 15, 1953, p. 834, n. 2.

<sup>33</sup> *Ibid.*, May 17, 1954, p. 761.

<sup>34</sup> *Ibid.*, July 5, 1954, p. 3.

<sup>35</sup> *Ibid.*, Nov. 8, 1954, p. 675.

<sup>36</sup> For background on the Qibya incident, see *ibid.*, Mar. 1, 1954, p. 329.

<sup>37</sup> United Nations, Security Council, *Official Records*, Ninth Year, Supplement (January, February, and March 1954), pp. 9-22.

<sup>38</sup> *Ibid.*, pp. 23-40.

<sup>39</sup> For reports of the Truce Supervision Organization on the Nahhalin and Scorpion Pass incidents, see U.N. docs. S/3251, 3252.

<sup>40</sup> For the discussions of Apr. 8, 12, 27, and May 4, see U.N. docs. S/PV. 665-670. On Apr. 20 the Jordan Parliament publicly thanked Andrei Vyshinsky, the Soviet representative, for his efforts in the Security Council in supporting the Arab position. Ambassador Eban stated on May 4 that Israel casualties between June 1949 and Mar. 23, 1954, had reached 518, of whom 300 had been wounded and 218 killed. The Truce Supervision Organization was able to verify that 37 Israelis were killed and 32 wounded between June 1949 and May 20, 1954, while some 101 Jordanians were killed and 76 wounded, with Israel held responsible for 80 violations of the armistice agreement and Jordan 60. Between May 9 and Dec. 6, 1954, it appears that Israel was held responsible for 18 violations and Jordan 3, and that 29 Jordanians were killed and 18 wounded, while 6 Israelis were killed, according to the verified estimates of the Truce Supervision Organization. There were, of course, other casualties in incidents for which responsibility was not determined. While the major problem has always been along the Israel-Jordan demarcation lines, it may be observed that the Truce Supervision Organization condemned Israel 9 times and Egypt 20 times for violations of the Israel-Egyptian Armistice Agreement between April and December 1954, and condemned both Israel and Syria for a violation of the Israel-Syria Armistice Agreement. See U.N. doc. S/3319 for incidents in Gaza

Strip, Sept.-Oct. 1954, in which Israel was condemned three times and Egypt seven times for armistice violations.

<sup>41</sup> BULLETIN of July 12, 1954, p. 48. The Truce Organization was unable to fix responsibility for the outbreak in Jerusalem. See U.N. docs. S/3258, 3259, 3260, 3264, 3269/Corr. 1, 3275, and 3278.

<sup>42</sup> U.N. doc. S/3290, p. 6.

<sup>43</sup> U.N. doc. S/3168. In turn the Egyptian Government complained on Feb. 3 of an incident at Al' Auja on Oct. 3, 1953 (S/3172, 3174, 3179). For a general review, see A/2663, *Report of Secretary-General* (1954), pp. 25-26.

<sup>44</sup> U.N. docs. S/PV. 657-664; S/3188/Corr. 1. The Soviet Union had also vetoed a resolution dealing with Israel actions in the Syrian-Israel demilitarized zone.

<sup>45</sup> U.N. docs. S/PV. 682-686; S/3296, 3297 and Corr. 1/3298, 3300, 3302, 3309, 3310, 3311, 3315, 3319, 3323, 3325, 3326. It may also be noted that the Syrian Government complained against an Israel action in forcing a Syrian passenger plane, flying over its regular route, to land at Lydda, Israel, on Dec. 12, 1954 (U.N. doc. S/3330). The plane was released on Dec. 13.

<sup>46</sup> BULLETIN of Jan. 17, 1955, p. 110.

<sup>47</sup> *Ibid.*, Nov. 22, 1954, p. 776. A similar protest was filed with the Government of the United Kingdom before the presentation of the credentials of the British Ambassador on Nov. 10. The Soviet Ambassador had presented his credentials at Jerusalem on June 16, 1954.

<sup>48</sup> For the text of an address by Ambassador Lawson before the Israel-America Friendship League at Tel Aviv on Dec. 4, see *ibid.*, Jan. 17, 1955, p. 92.

<sup>49</sup> See, for example, the remarks of Dr. Mohammed Fadhil al-Jamali (Iraq), Sept. 27, 1954 (U.N. doc. A/PV. 479); Ahmed Shukairi (Syria), Oct. 5, 1954 (U.N. doc. A/PV. 489); Dr. Mahmoud Azmi (Egypt), Oct. 6, 1954 (U.N. doc. A/PV. 492).

<sup>50</sup> U.N. doc. A/PV. 492.

<sup>51</sup> For texts of U.S. statements and of resolution, see BULLETIN of Jan. 3, 1955, p. 24. See also U.N. doc. A/2717, *Annual Report of the Director of the United Nations Relief and Works Agency for Palestine Refugees in the Near East Covering the period 1 July 1953 to 30 June 1954*; A/2826 and Corr. 1; and A/2816.

<sup>52</sup> BULLETIN of Nov. 29, 1954, p. 804.

<sup>53</sup> *Ibid.*, Jan. 3, 1955, p. 30.

<sup>54</sup> *Ibid.*, p. 31.

<sup>55</sup> See the President's letter of transmittal to *The Report to Congress on the Mutual Security Program for the Six Months Ended December 31, 1953*, BULLETIN of Mar. 29, 1954, p. 484.

<sup>56</sup> H. Doc. 449, 83d Cong., 2d Sess.; BULLETIN of July 5, 1954, p. 35.

<sup>57</sup> See also *The Mutual Security Act of 1954: Report of the Committee on Foreign Relations on H. R. 9670*. 83d Cong., 2d Sess., S. Rept. 1799. *United States Aid to India: Report of the Investigations Division of Senate Appropriations Committee, April 1954*. 83d Cong., 2d Sess.

<sup>58</sup> Public Law 665, 83d Cong., 2d Sess., chapter 937. Including both new and carryover funds the total was approximately \$5,200,000,000.

<sup>59</sup> Department of Commerce, *Foreign Grants and Credits by the United States Government*, September 1954 quarter, appendix, table 2. Although these figures are not complete, this summary gives a generally accurate picture of an everchanging situation.

<sup>60</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, p. 21.

<sup>61</sup> BULLETIN of June 15, 1953, p. 831. It will be recalled that Secretary Dulles indicated that the United States, while awaiting the formal creation of a "security association," could "usefully help strengthen the interrelated defense of those countries which want strength, not as against each other or the West, but to resist the common threat to all free peoples."

<sup>62</sup> On Jan. 13, 1955, Iraq and Turkey announced their intention of signing a mutual defense agreement. They signed on Feb. 24.

<sup>63</sup> *Ibid.*, Feb. 15, 1954, p. 247. President Bayar was awarded the Legion of Merit at a state dinner at the White House on Jan. 27.

<sup>64</sup> *Ibid.*, Mar. 1, 1954, p. 327.

<sup>65</sup> *Ibid.*, Mar. 15, 1954, p. 401. See also John D. Jernegan, "America and the New India," *ibid.*, Apr. 19, 1954, p. 593.

<sup>66</sup> *Ibid.*, p. 400.

<sup>67</sup> Embassy of Pakistan, Washington, D. C., press release 25, Apr. 2, 1954.

<sup>68</sup> BULLETIN of May 17, 1954, p. 772.

<sup>69</sup> For text of agreement, see press release 262-A dated May 19.

<sup>70</sup> For text of joint communique of June 5, see BULLETIN of June 14, 1954, p. 912.

<sup>71</sup> *Ibid.*, June 28, 1954, p. 992.

<sup>72</sup> *Ibid.*, Sept. 20, 1954, p. 393. See also the address of Ambassador Horace A. Hildreth, on Sept. 23 at the Fletcher School of Law and Diplomacy, Medford, Mass., *ibid.*, Oct. 4, 1954, p. 492.

<sup>73</sup> For text of joint communique of Oct. 21, see *ibid.*, Nov. 1, 1954, p. 639.

<sup>74</sup> For text see *News From Turkey*, vol. VII, No. 22, Aug. 12, 1954.

<sup>75</sup> Cf. especially with article 5 of the North Atlantic Treaty, in *A Decade of American Foreign Policy: Basic Documents, 1941-49*, S. Doc. 128, 81st Cong., 1st Sess., p. 1329.

<sup>76</sup> General Assembly Resolution 378 (V). This resolution, of Yugoslav origin, as modified and supported by the United States and other members of the United Nations, provided that, if a state became engaged in armed conflict, it take all steps compatible with the right of self-defense to end the conflict at the earliest possible moment, publicly announce its readiness to discontinue military operations and so notify the United Nations, and invite the latter to dispatch the Peace Observation Commission to the area of the conflict.

<sup>77</sup> With signature of the treaty, a memorandum on the Balkan Consultative Assembly, to be composed of an equal number of representatives from each of the parties, was also announced.

<sup>78</sup> BULLETIN of Oct. 18, 1954, p. 555.

<sup>79</sup> *Ibid.*, June 7, 1954, p. 871. See also Arthur C. Ringland, "The Organization of Voluntary Foreign Aid: 1939-1953," *ibid.*, Mar. 15, 1954, p. 383.

Educational exchanges under the Fulbright Act in 1953 had involved no less than 702 people, including 233 students from the Near East, South Asia, and Africa in the United States.

<sup>80</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, p. 23.

<sup>81</sup> *Ibid.*, pp. 23-24; BULLETIN of June 14, 1954, p. 912, and June 28, 1954, p. 992.

<sup>82</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, pp. 24-25.

<sup>83</sup> BULLETIN of Nov. 22, 1954, p. 776.

<sup>84</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, pp. 25-26; BULLETIN of Mar. 22, 1954, p. 442, and May 10, 1954, p. 713. The instruments of ratification of the treaty of friendship, commerce, and navigation between the United States and Israel, signed on Aug. 23, 1951, were exchanged on Mar. 4, 1954, and the treaty entered into force on Apr. 3, 1954.

<sup>85</sup> BULLETIN of June 21, 1954, p. 962.

<sup>86</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, p. 28.

<sup>87</sup> BULLETIN of June 28, 1954, p. 1000.

<sup>88</sup> *Ibid.*, July 12, 1954, p. 57. General distribution was as follows: irrigation, \$3 million; range resources rehabilitation and development, \$2 million; afforestation and watershed protection, \$500,000; road construction, \$2 million; and ground water exploration and development, \$500,000.

<sup>89</sup> *Ibid.*, Aug. 16, 1954, p. 233. The Improvement Service (EARIS) is jointly staffed and controlled, with a working capital of \$25 million. The United States contributes \$10 million and the Egyptian Government the equivalent of \$15 million.

<sup>90</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, p. 28.

<sup>91</sup> BULLETIN of June 14, 1954, p. 913.

<sup>92</sup> *Ibid.*, July 26, 1954, p. 132.

<sup>93</sup> *Ibid.*, Apr. 12, 1954, p. 566.

<sup>94</sup> *Ibid.*, May 31, 1954, p. 836. The loan agreement, signed by Gen. Glen E. Edgerton, Managing Director of the bank, and Ambassador Mohammad Kabir Ludin, on May 14, provided for repayment in 36 semiannual installments beginning on Oct. 20, 1958, at 4½ percent interest.

<sup>95</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, pp. 31-32.

<sup>96</sup> BULLETIN of Oct. 25, 1954, p. 615.

<sup>97</sup> For a detailed account, see Foreign Operations Administration, *Summary: Report of the Pakistan Wheat Program of 1953-1954*, July 7, 1954. See also BULLETIN of May 17, 1954, p. 760. As a token of gratitude for American assistance, Pakistan offered on May 5, 1954, to supply the labor

involved in the construction of a U. S. Embassy chancery at Karachi. The offer was accepted.

<sup>98</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, p. 31. On June 2, the International Bank for Reconstruction and Development, with six private British banks participating, advanced a loan of £5,000,000 (\$14,000,000) for the construction of a natural-gas transmission line in West Pakistan, based on the discovery of natural gas some 350 miles north of Karachi (BULLETIN of June 28, 1954, p. 991). The loan was made to the Sui Gas Transmission Co., Ltd. Of its annual requirements of about 1,200,000 tons of coal, Pakistan has been importing 600,000 tons in addition to some 500,000 tons of fuel oil. It is estimated that the gas in the first year of operations will replace about 500,000 tons of coal.

<sup>99</sup> BULLETIN of July 12, 1954, p. 56. For an account of these programs and of others being conducted by colleges and universities, see the pamphlet *American Universities in Technical Cooperation*, published by the Office of Public Reports, Foreign Operations Administration, Washington 25, D. C.

<sup>100</sup> BULLETIN of Aug. 30, 1954, p. 295. It was indicated that more than 7 million people had been affected by the overflow of the Brahmaputra River. The summer rice crop was partly destroyed, and a sizable portion of the jute crop wiped out, while many homes were washed away.

<sup>101</sup> *Ibid.*, Nov. 1, 1954, p. 639. For an announcement of an agreement covering part of the \$105 million economic aid program, see *ibid.*, Jan. 24, 1955, p. 157. For text of agreement, see *ibid.*, Feb. 21, 1955, p. 308.

<sup>102</sup> *Ibid.*, May 17, 1954, p. 759. See also Ambassador Allen's address over the Columbia Broadcasting System on May 16, *ibid.*, June 7, 1954, p. 864, on "The Growth of Freedom in India," in which he contrasted the attempts to solve India's social and economic problems with those of Communist China. Mr. Allen described India's 5-Year Plan of economic development as a "well-thought-out, mature program" which was tackling India's most pressing economic difficulty—her shortages in food-grains—"while at the same time laying the foundations for the widespread industrial growth which must evolve if India is to make real progress."

<sup>103</sup> *Report to Congress on the Mutual Security Program for the Six Months Ended June 30, 1954*, p. 30.

<sup>104</sup> *Ibid.*, pp. 32-33.

<sup>105</sup> *Ibid.*, p. 33.

<sup>106</sup> BULLETIN of July 5, 1954, p. 15. The economic position of Libya was also among the topics discussed during the visit of Prime Minister Ben Halim to the United States in July.

<sup>107</sup> *Ibid.*, Sept. 20, 1954, p. 396.

<sup>108</sup> *Ibid.*, May 31, 1954, p. 849.

<sup>109</sup> *Ibid.*, Dec. 6, 1954, p. 879.

<sup>110</sup> See also the statements of Sen. H. Alexander Smith, U.S. Representative, at the Fifth U.N. Technical Assistance Conference, Nov. 26, 1954, *ibid.*, Dec. 13, 1954, p. 926; and James P. Nash, U.S. Representative, in Committee II of the General Assembly, Nov. 19, 1954, *ibid.*, Dec. 27, 1954, p.

1004. Fifty-six countries had pledged some \$12,264,136 to the 1955 program by Nov. 24, 1954.

<sup>111</sup> See also Food and Agriculture Organization of the United Nations, *The State of Agriculture 1953, part II, Longer Term Prospects* (January 1954); David McK. Key, "World Security and the World Health Organization," *BULLETIN* of Oct. 25, 1954, p. 616; "Health Progress in the Eastern Mediterranean," *Chronicle of the World Health Organization*, vol. 8 (June 1954), p. 185; U.N. doc. A/2686, *Report of the Economic and Social Council, 6 August 1953 to 6 August 1954*, pp. 72-78; Rajkumari Amrit Kaur, "Real Hope for the Tens of Millions," *United Nations Review*, vol. I (December 1954), pp. 8-11; "Advances in Education in Liberia," *ibid.*, pp. 16-19; "Shared Skills in Libya," *ibid.*, vol. I (July 1954), pp. 62-69; "A Year of Progress in Technical Assistance," *ibid.*, pp. 59-61; "Routing the Insect Armies in the Jordan Valley," *ibid.*, vol. I (November 1954), pp. 34-38. For an excellent summary of the work of UNICEF, see UNICEF *Compendium*, vol. V, 1954-1956 (United Nations Children's Fund, 1954).

<sup>112</sup> See especially U.N. docs. A/2728, *Economic Development of Under-Developed Countries. Special United Nations Fund for Economic Development*; A/C.2/183, A/C.2/L.230,233.

<sup>113</sup> *BULLETIN* of Dec. 20, 1954, p. 967. See also *ibid.*, Dec. 27, 1954, p. 987, for the appointment of Joseph M. Dodge as chairman of the Council on Foreign Economic Policy, and *ibid.*, Jan. 3, 1955, p. 16, for a statement on the Third Colombo Plan Report and the U.S. contribution of \$280 million in grant assistance and about \$62 million in loans authorized or disbursed under the plan.

<sup>114</sup> *Ibid.*, Jan. 10, 1955, p. 43.

<sup>115</sup> *Ibid.*, Jan. 17, 1955, p. 79.

<sup>116</sup> *Ibid.*, Jan. 31, 1955, p. 163. The President noted that the United States had provided some grant and loan assistance in the Middle East and Africa "to promote economic development and political stability" and that he would request funds to continue this type of assistance in the fiscal year 1956. This assistance had gone to Iran, Israel, Lebanon, Jordan, Egypt, and Libya, and some had been extended to India. Similarly, the program of technical assistance would be supported, he said, some 68 agreements having been signed with states in Latin America, Asia, the Near East, and Africa.

*Export-Import Bank Loans in the Near East, South Asia, and Africa, 1945-1954\**

Country	Date	Authorized credit	Purpose
Greece . . . . .	1/9/46	\$25,000,000	U. S. products and services. Some \$10,436,000 canceled or expired, about \$13,250,000 outstanding.
Turkey . . . . .	12/18/46- 11/25/53	28,462,230	14 loans for various types of industrial, electrical railway, port, and shipping equipment. Some \$292,000 canceled or expired, \$6,403,000 outstanding.
Israel . . . . .	1/19/49- 10/26/49	135,000,000	Loans for agricultural equipment, transportation, housing, telecommunications, port and industrial equipment. \$122,636,000 outstanding.
Egypt . . . . .	7/16/47	7,250,000	Equipment for fertilizer and chemical industries. \$5,800,000 outstanding.
Saudi Arabia . . . . .	1/3/46- 7/20/50	40,000,000	Products and services, cement plant construction, materials and equipment. Some \$25,000,000 canceled or expired, \$8,767,000 outstanding.
Afghanistan . . . . .	11/23/49	21,000,000	Canal and dam construction. \$19,900,000 outstanding.
	4/29/54	18,500,000	Helmand River Valley development.
Ethiopia . . . . .	6/10/46- 6/22/50	3,000,000	Aircraft and spare parts, communications equipment, and industrial machinery. About \$230,573 outstanding.
Liberia . . . . .	4/27/49	10,350,000	Iron ore production, highway improvement and construction, water supply, and sewage system. \$2,000,000 outstanding.
Total . . . . .		\$288,562,230	

\*See *Export-Import Bank of Washington, Eighteenth Semiannual Report to Congress for the Period January-June 1954*, appendix C. It may be noted that the loans in Africa as a whole totaled \$152,852,331 and in Asia \$588,827,320. It was announced on Nov. 2 that the Export-Import Bank was ready to lend Iran \$85,000,000. A loan of \$25,000,000 to Iran, authorized on Oct. 6, 1950, had been canceled.

*Loans of the International Bank for Reconstruction and Development\**

Country	Date	Original amount	Purpose
Ceylon . . . . .	7/9/54	\$19, 110, 000	Electrical power development
Ethiopia . . . . .	9/13/50	5, 000, 000	Highway rehabilitation
	9/13/50	2, 000, 000	Foreign exchange for development bank
	2/19/51	1, 500, 000	Telephone and telegraph systems
India . . . . .	8/18/49	34, 000, 000	Railway rehabilitation
	9/29/49	10, 000, 000	Agricultural development
	4/18/50	18, 500, 000	Electric power development
	1/23/53	19, 500, 000	Electric power, flood control, and irrigation
India (Guarantor) . . .	12/18/52	31, 500, 000	Iron and steel production facilities
India (Guarantor) . . .	11/19/54	16, 200, 000	Electrical power development
Iraq . . . . .	6/15/50	12, 800, 000	Construction of flood control project
Pakistan . . . . .	3/27/52	27, 200, 000	Railway rehabilitation
Pakistan (Guarantor) . .	6/2/54	14, 000, 000	Construction of natural gas transmission line by Sui Gas Transmission Company
Turkey . . . . .	7/7/50	13, 900, 000	Grain storage facilities
	7/7/50	12, 500, 000	Port construction and development
	2/26/54	3, 800, 000	Port construction and development
	6/18/52	25, 200, 000	Electric power, irrigation, and flood control
Turkey (Guarantor) . .	10/19/50	9, 000, 000	Foreign exchange for private industry
	9/10/53	9, 000, 000	Through Industrial Development Bank of Turkey
Total . . . . .		\$284, 710, 000	

\*International Bank for Reconstruction and Development, *Ninth Annual Report 1953-1954*, appendix F.







